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THE DEPARTMENT OF STATE
BULLETIN



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The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Research and Publication, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.

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The Security Council

By EDWARD H. BUEHRIG¹

THE CHIEF PURPOSE of the United Nations Organization is the maintenance of international peace and security. To this end the General Assembly, with the assistance of the Economic and Social Council and the Trusteeship Council, has the broad-function of improving the economic and social conditions which underlie international peace and security. The function of the Security Council is narrower and more exclusively political. The Security Council is concerned with disputes or situations which may endanger peace and security or actually result in the occurrence of violence. In the first circumstance, the function of the Council is to conciliate differences; in the second, to repress resort to force.

It would be wrong, however, to conclude that the Security Council will act spasmodically. The Charter enables and requires it to exercise a continuing surveillance of international relations for any evidence of dangerous situations. Not only does article 28 provide that the Council shall be in continuous session, but article 34 gives it power to

"investigate any dispute, or any situation which might lead to international friction or give rise to a dispute, in order to determine whether the continuance of the dispute or situation is likely to endanger the maintenance of international peace and security".

In addition, the succeeding article provides that "any Member of the United Nations may bring any dispute or any situation of the nature referred to in Article 34 to the attention of the Security Council".

Moreover, with respect to strategic areas placed under trusteeship, article 83 provides that all functions of the United Nations relating to such areas shall be exercised by the Security Council. In this instance, the Council has an active and continuing function with respect to areas of special significance for international peace and security.

In an endeavor to understand the character of the Security Council, certain features of its design can profitably be pointed out against the background of the League of Nations Council.² Unlike the Covenant, which gave the Assembly and the Council concurrent jurisdiction in matters relating to the maintenance of international peace and security, the Charter gives the Security Council primary responsibility, and all enforcement authority, in this field. Although article 10 provides that the General Assembly may discuss any questions or any matters within the scope of the Charter or relating to the powers and functions of any organs provided for in the Charter and that it may make recommendations to the members of the United Nations or to the Security Council or to both on any such questions or matters, the

¹ Mr. Buehrig is Acting Assistant Chief in the Division of International Security Affairs, Office of Special Political Affairs, Department of State. For other articles on the Charter of the United Nations, see "The International Court of Justice", by Green H. Hackworth, *BULLETIN* of Aug. 12, 1945, p. 216; "Covenant of the League of Nations and Charter of the United Nations: Points of Difference", by Clyde Eagleton, *BULLETIN* of Aug. 19, 1945, p. 263; and "The International Court of Justice and the Problem of Compulsory Jurisdiction", by Lawrence Preuss, *BULLETIN* of Sept. 30, 1945, p. 471.

² For an extensive comparison of the Charter and the Covenant, see *BULLETIN* of Aug. 19, 1945, p. 263.

Assembly's action is in no case binding, and when the Security Council is actively considering a dispute or situation the General Assembly is barred, by article 12, from making recommendations. There is no way, therefore, by which the Security Council can shift final responsibility for action or avoid the onus of any failure. Because of the special position of the great powers in the Security Council, the responsibility, in final analysis, comes to rest in them. Awareness of this made some, although not all, of the small powers at San Francisco entirely willing from the beginning to grant the primary responsibility in this field to the Security Council. This feature of the United Nations Organization, which was taken over without change from the Dumbarton Oaks Proposals, is set forth in paragraph 1 of article 24:

"In order to ensure prompt and effective action by the United Nations, its Members confer on the Security Council primary responsibility for the maintenance of international peace and security, and agree that in carrying out its duties under this responsibility the Security Council acts on their behalf."

The League Council did not have the capacity to make binding decisions as to the existence of a threat to or breach of the peace or as to enforcement action. In the Ethiopian affair the decisions of the Council were viewed merely as an expression of the individual judgment of its members. Every member of the League was free to judge for itself whether its obligations under the Covenant to take cognizance of a breach of the peace and to exercise sanctions were or were not involved. The Charter differs radically from the Covenant in this respect. Article 25 provides that:

"The Members of the United Nations agree to accept and carry out the decisions of the Security Council in accordance with the present Charter."

While this provision does not make legally binding terms of settlement which the Security Council may recommend when concerned with the pacific settlement of disputes under chapter VI, it does make legally binding on all members of the Organization any decisions of the Security Council with respect to threats to the peace, breaches of the peace, and acts of aggression under chapter VII.

The breadth of the Security Council's authority once a dispute or situation threatens the peace or results in an actual breach of the peace stands in sharp contrast to the authority of the League Council. More is involved than the binding effect of its decisions. Not only a "breach" but a "threat" to the peace may be taken cognizance of by the Security Council; and thus not only repressive action but also preventive action is possible under chapter VII. Moreover, with the intention of avoiding the legalistic tangles in which the League got itself involved, the Charter omits any definition of aggression, thereby giving the Security Council latitude to take into account the peculiarities of each situation. Instead of defining aggression the Charter imposes the positive obligation on all members to

"refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations."

This is the fourth of the principles enumerated in article 2.

Finally, a distinguishing feature of the Security Council, which offers further contrast with the League Council, is the special position accorded to the great powers. The division of membership between permanent and non-permanent members follows the pattern set in the Covenant. However, the two categories are more sharply defined in the case of the Security Council by virtue of the ineligibility of non-permanent members to immediate reelection, by virtue of the narrower margin between them—six non-permanent members as compared with the five permanent members (see article 23), and by virtue of the provision for a Military Staff Committee to be composed exclusively of the Chiefs of Staff, or their representatives, of the permanent members of the Council (see article 47).

The greatest differentiation between the two categories of members of the Security Council exists in the voting procedure when substantive matters are involved. In procedural matters a majority of any seven of the Council is sufficient for a decision, and thus all members are on an equal footing. Although the majority required for substantive matters is no larger, and in this

there is a sharp departure from the requirement of unanimity in the League Council, this majority of seven must include, as a general rule, the affirmative votes of all permanent members of the Council. This requirement is invariably true of all decisions to take enforcement action and applies also to decisions relating to the pacific settlement of disputes with the important exception that a party to a dispute shall abstain from voting. With respect to the role of the Security Council in the election of judges to the International Court of Justice and in the calling of a general conference for the purpose of reviewing the Charter, the rule of unanimity does not apply and it is specified that the vote of any seven members of the Council is sufficient for a decision. The total effect of all these provisions is that each of the major powers has a heavily weighted vote. However, the concurrence of two of the six elected members is necessary to reach a decision, and five of the six, by opposing, can prevent a decision.

The foregoing discussion has viewed the Security Council against the background of the Council of the League of Nations. Added perspective on the character of the Security Council can be derived from considering it in relation to the patterns commonly identified and described by students of government. Although it is a device for achieving an objective—the maintenance of peace—with which government is invariably concerned, the Security Council cannot readily be assimilated into any of the traditional governmental patterns—judicial, legislative, or executive.

The International Court of Justice is designated as the agency to which the Security Council should, as a general rule, recommend that disputes of a legal nature be referred. In addition, chapter VI requires the Security Council to take cognizance of the many peaceful means of settlement outside the Charter itself. It may be expected that the disputes dealt with directly by the Security Council will, for the most part, be of the type for the solution of which international law, which in a number of vital respects is relatively undeveloped, is unable to provide readily usable rules and principles.³ It is of some significance, therefore, that the third principle set forth in article 2, which reads that

"All Members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered",

does not specify law as a separate criterion, although, of course, legal considerations would not be excluded. Article 2 sets forth certain broad principles which are legal in character and to which all members of the Organization are under obligation to conform, but the Security Council cannot properly be viewed as bound narrowly to rules of law. It is part of its character, and an essential element in its successful operation, that it affords wide latitude for the play of all vital considerations. The Charter—which constitutes the fundamental law for the Security Council—is itself stated in the broad terms which command such action.

However, the assertion which has been made that the Security Council is little more than an alliance of the great powers cannot be maintained. In contrast to an alliance, action is not contemplated against a particular nation but rather against a threat to or breach of the peace. Moreover, owing to the setting out of certain general principles in the Charter, to the publicity which will attend the functioning of the Security Council, to the presence of a majority of non-permanent members on the Council, and to the freedom of the Assembly to discuss and recommend, the area within which exclusively national interest may be freely pursued is restricted rather than enlarged by the Charter.

The political character of the Security Council does not in itself preclude the performing of a legislative function. However, so far as such a function may be attributed to the Organization, it is more nearly fulfilled by the General Assembly than by the Security Council. But, even in the case of the General Assembly, the essential element of legislative power is absent by virtue of the fact that the Assembly has only recommendatory powers. Although the power of the Council to recommend terms of settlement in particular disputes has certain legislative implications, the legal status

³ The General Assembly, however, is charged by article 13 to initiate studies and make recommendations to encourage the progressive development of international law and its codification.

of the Council's action in this field is only recommendatory, and, moreover, the fact that the Council's recommendations apply to a specific situation or dispute rather than to general conditions argues against the legislative character of its action. Concern for general economic and social matters is beyond the competence of the Council; it is charged with handling situations or disputes which may endanger international peace and security, or with actual breaches of the peace or acts of aggression.

This last observation suggests that the Security Council has an executive function. Such a characterization would be supported by the fact that in certain circumstances the decisions of the Council are binding on the members of the Organization and that, for the purpose of preventing or suppressing breaches of the peace, actual forces, facilities, and assistance of a military nature are to be placed at the disposal of the Council. Without being exclusively so, the Council is more nearly executive in function than either judicial or legislative.

It has been asserted that the requirement of unanimity among the permanent members of the Council in substantive matters is a flaw which runs through all of the functions of the Council. Although there was little disposition at San Francisco to question the rule of unanimity as it applies to decisions involving enforcement action under chapter VII, there was wide-spread feeling that the exception to the rule of unanimity provided for in the Yalta formula, namely, that a party to a dispute shall abstain from voting, did not go far enough to assure reasonably prompt and effective action in the settlement of disputes under chapter VI. It should be noted that the sponsoring governments recorded their agreement that no individual member of the Council can alone prevent consideration and discussion by the Council of a dispute or situation brought to its attention under article 35.⁴

The rule of unanimity among the permanent members of the Council is one indication that the United Nations Organization, although possessing in certain respects functions approximating those of a government, is not a superstate; its structure

and powers take account of the wide variations within the world which would render impracticable an attempt to set up a single supreme authority.

However, the rule of unanimity has positive value. An essential condition for the maintenance of international peace and security is that the great powers reach a common view in any critical situation. The Security Council is that organ of the United Nations which takes into account this basic political necessity, fulfilment of which is the only sure guaranty of the security of the United States and of all nations. Such collaboration, for instance, is the only certain assurance against renewed attempts at violent expansion by Germany and Japan.

The rule of unanimity in the Security Council merely formalizes this basic political necessity. The reality of the latter could not be changed by a different voting formula. It is of more interest, however, to point out that the rule of unanimity does not have the effect of maximizing the freedom of action of the great powers. Having fought together to preserve themselves against violent aggression, having accepted the responsibility for maintaining international peace and security which only they are in a position to assume, and, to this end, having agreed to work within a framework of principles and procedures, the great powers have placed themselves in a position in which there is a premium on agreement. The rule of unanimity is added pressure on them to accommodate their views and to concert their action.

It would be idle to contend that all the necessary elements to great-power collaboration are contained in the Security Council. It represents a very considerable departure from the traditional diplomatic pattern, and it can make an effective contribution to a world order in which confidence and security among nations will be possible. The paramount requirement for its effectiveness, however, remains as stated by Secretary of State Cordell Hull, in his address of April 9, 1944:

"I am stating what I believe the common sense of my fellow countrymen and all men will recognize—that for these powers [i. e. the great powers] to become divided in their aims and fail to recognize and harmonize their basic interests can produce only disaster and that no machinery, as such, can produce this essential harmony and unity."

⁴ For the four-power statement on voting procedure, see BULLETIN of June 10, 1945, p. 1047.

⁵ BULLETIN of Apr. 15, 1944, p. 339.

The Necessity for Foreign Investment

Address by WILLARD L. THORP¹

[Released to the press November 20]

The post-war world may be making brave new experiments politically, but it is doing rather badly economically. This is, of course, no surprise. The devastation and economic dislocation caused by the war are not easily repaired. Every country in the world has a major reconversion problem, and many have the even more difficult task of reconstruction. Under these circumstances, it is not surprising that the trend in most countries is toward the continuation and even extension of types and forms of government control, far beyond the levels reached in the years before the war. American exports will face new and greater obstacles in various foreign markets unless bold measures are taken soon to forestall or to minimize them.

It is not necessary to elaborate upon the extent to which governments directed economic activity during the war period. It was a problem of mobilizing the resources of the world for a single purpose, with little regard to normal trade processes. Direction was given by control over shipping space, import and export licenses, allocation and rationing machinery, exchange controls, and the like. The mobilization job was done and done well, not so much by the operation of economic forces as by the planning and direction of men working together in many countries toward a single objective. The interests of individual nations were virtually submerged in the common cause.

But now the war is over. The joint effort is finished. And many nations find themselves in a difficult economic condition. Their domestic economies are more or less disorganized. Their capital is severely depleted. They have few assets which can be used to buy raw materials or capital goods abroad. They are not able to produce in sufficient quantity for the home market, let alone for export trade. Their fiscal burdens are heavy and their currencies are insecure. Under these dire circumstances, they have no choice but to continue or to increase the control of their economies by governments. They must

conserve carefully their foreign exchange, allocating its use to items for which there is the greatest need. They must carefully control both imports and exports. They must seek to make trade arrangements where barter deals can be effected without disturbing their balance of payments. Under such circumstances, there is little service which the private trader can perform, and therefore government bulk buying is the result. Those of you who have an interest in foreign trade know all too well how little scope there is for private enterprise to function today in the international field.

This pattern of trade restriction and trade barriers is not the result of free choice by the various nations. It is no devilish plot to shut the United States out of world trade, nor even to pursue the same sort of economic nationalism which was evident in the pre-war years. It is merely the result of compelling necessity. In the face of tremendous requirements and limited resources, a nation has no other course than that of rationing and allocation. And the international arrangements made by such nations tend of necessity to take the form of bilateral trading, clearing agreements, trade preferences, and special contractual arrangements. Few steps have been taken outside the United States toward the demobilization of the governmental forms into which international trade has been cast. In fact, there is a marked trend evident in many countries in the direction of consolidating and expanding the trade controls introduced in wartime. New bilateral arrangements are being rapidly negotiated by various European countries. New import-control plans have been announced by a number of Latin American governments. The British Government has asked for a five-year extension of war powers. And a number of countries are moving into the post-war period with higher duties on imports than they had in 1939.

¹ Delivered before the National Industrial Conference Board in New York, N.Y., on Nov. 20, 1945. Mr. Thorp is Deputy to the Assistant Secretary of State for economic affairs.

The trend is not merely in the direction of the maintenance of individual national controls, but of the development of international economic blocs. Pairs of countries enter into exclusive arrangements. Groups of countries try so to balance their trade or payment arrangements as to allow free-exchange transfers to member countries. Inevitably, the three great trading powers are driven to act as the focal point for such groups, so that there are in various stages of formation a ruble bloc, a sterling bloc, and possibly even a dollar bloc, with trade within each tending to be carefully controlled with a view to international balance, and trade among them kept to a balance, which of course means that it will work toward a minimum.

From the point of view of the United States, this must be a matter of grave concern. Nor can many other countries view the prospect with other than alarm. These controls are designed to restrict or divert imports from their natural channels. In the various bilateral and bloc arrangements, they are intended to concentrate the exchange of goods within the framework of national plans and to reduce the dependence of participating countries on the outside world. In particular, they must strive to reduce their dependence upon countries like the United States, whose goods are in great demand but which import with considerable reluctance. The volume of world trade will certainly be greatly reduced as a result of these innumerable artificial barriers and obstacles, and the participation of the United States will be even more sharply limited. In such a world, the private traders of the United States will find themselves thwarted and ineffective, and our own government will have to participate more and more in deals and other arrangements with foreign countries. And government operation in foreign trade is hardly the best way to encourage free enterprise at home. It will be a world in which the plans of different countries are bound to come into conflict, and there is every likelihood that individual nations will bring to bear against each other the whole gamut of economic and political pressures to achieve their economic objectives. And finally, such a restricted world will find its economic recovery sadly retarded, and political instability and economic distress are all too closely related.

These are hard and unpleasant facts to face. They follow automatically from certain funda-

mental economic conditions in the world today. We alone can check the trend. We alone can break these rising barriers to international trade. But we can do it only by dealing with the basic cause—the lack of balance in so many countries between requirements and resources. This circumstance must dictate the shape which American economic foreign policy should take. On this basis, a program must be devised capable of arresting and turning the present dangerous trend toward governmental control and governmental participation in international trade in peacetime.

It is obvious that very little can be done in the short run to change the requirements which these countries have. But a great deal can be done to bring their resources for payment into line. Estimates place the foreign demand for American products in the next few years, if local currencies could be readily converted into dollar exchange, in the neighborhood of 14 billion dollars per year, approximately the volume of exports achieved under lend-lease. By contrast, the present pattern of imports into the United States might reach 6 billion dollars' worth of foreign goods at high levels of employment. It should be evident that under such circumstances foreign governments could not permit private importers to scramble freely for available dollars but would find it necessary to reserve most if not all of the supply for imports having some form of priority. To the extent, however, that the United States increases its imports of foreign products and to the extent that foreign countries are able to obtain dollars on long-term credit, the need to maintain exchange and other controls will be reduced.

The above estimates are not estimates of any ultimate relationship between exports and imports, but reflect in large measure post-war reconstruction requirements. This particular problem is clearly a matter of short-run lack of balance between import requirements and available exports in these war-disturbed areas. For the next several years, therefore, foreign loans may be regarded in large part as representing the provision of working capital for these countries as they get their economies back into productive condition. Such a program of lending would be futile if it were to pour dollars over or behind trade barriers. It must move hand in hand with a reversal of the trend. If the United States wishes to ask foreign countries to discard area preferences, abandon controls over trade, and re-

turn to the conduct of trade on principles reflecting the most economical allocation of resources, it must insure that a sufficient volume of long-term credit is made available to keep their balance of payments in line. Conversely, unless trade is freed of its shackles, many of these so-called "loans" will unquestionably prove to be defaults, rather than healthy extensions of credit.

Although I have characterized these loans as working capital, that may be somewhat misleading. Actually, a substantial part of the imbalance in the next several years is due to the necessity for these areas to obtain capital goods. There is a hard core of requirements for the urgent necessities of consumption which will tend to use up the presently available foreign exchange. To the extent that additional foreign purchasing power is made available to these countries, they will use it for reconstruction and development purposes. Of course, wise capital investment will lead to new productive industries or increased efficiencies. These in turn will give rise to exportable goods. If trade channels are open these goods can move, and will tend to generate their own supplies of foreign exchange for debt service.

The relationship between credit and trade barriers in the mind of the United States Government has already been indicated in article VII of the master lend-lease agreement. In these agreements, the United States and other countries agreed to take action "directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers." More recently, there have been exchanges of notes between this Government and a number of other governments more or less simultaneously with the making of arrangements for credit extensions in connection with winding up lend-lease, in which the governments have agreed mutually to refrain from any further raising of trade barriers, and to seek ways and means of reducing them.

The logic underlying this is very simple: namely, that with trade subject to a series of artificial barriers, there is no hope either that trade will expand or that service of loans will be facilitated. But in a world where barriers are reduced

or eliminated, it is possible to foresee a marked expansion in trade, and the payment of debt service should be a much less difficult problem. Thus, it would be true that a small loan in a restricted world might be a poorer one from the security point of view than a larger loan with trade free to flow as economic forces might dictate. For this reason, discussion of financial policy and commercial policy must go on side by side with foreign countries.

It is, of course, very important that the extension of credit must not in itself add seriously to the problems of international adjustments. The fundamental requirement for any creditor nation is that it must accept imports. It is obvious that we cannot argue for the reduction of tariffs and trade barriers on the part of other countries unless we are prepared to take similar steps ourselves. The impact of this problem upon our economy need not be great if the loans are for substantially long terms, and if we are prepared to continue to maintain our foreign investment position. In the absence of extraordinary political disturbances, there is no reason to suppose that American investors will wish to liquidate foreign investments yielding satisfactory annual returns. While individual loans would be repaid, or refunded, and while individual lenders must be given an opportunity to liquidate their holdings, a general reduction in total foreign investment by this country need not be contemplated. It is only necessary, therefore, for American imports to increase gradually to provide interest and dividend payments on an increasing stock of foreign investments. This may in fact be an inevitable process if some of our pessimistic prophets are right, who point out the tremendous drain on our natural resources caused by the war. They forecast impending shortages in many raw materials which we have never worried about before, and draw the conclusion that we will need to import in steadily increasing quantities.

However, I would not be frank if I did not point out that there is a real risk in undertaking a program of foreign investment. It is a risk which must be incurred if we wish to stimulate world recovery and free foreign trade from its restrictions. The risk is the risk of failure in achieving this objective. Nor must our expectations be too high. We cannot build a perfect world, but perhaps we can make it tolerable. The ground is being carefully laid to assure success if possible.

The United States is taking the lead in developing with other nations a program of commercial policy directed at freeing trade from its hindrances. The International Monetary Fund is intended to prevent short-term capital movements and temporary imbalances in trade from affecting exchange rates. The International Bank for Reconstruction and Development will provide a means for marshalling the support of governments for extensive foreign investment of capital where it is most needed. American interests will be directly served by the Export-Import Bank.

However, once the present emergency is over and the proper environment has been created, the primary responsibility should fall on private investors for seeking out and financing productive opportunities abroad. Perhaps I have talked too much about government lending. However, the discussion has actually been most relevant to the problem of private lending. In a world of trade restrictions and exchange controls, private international financing cannot be expected to play a very large part. Once it is established that interference is permitted under the rules of the game, there are too many ways in which government policies and programs may interfere with the payment process. However, if international agreement can be reached, directed towards freeing the channels of trade, then private lending can take its proper place—and that should be a large place. Capital would be expected to flow from an area where it is plentiful, such as the United States, to other areas where it can be put to highly productive work. Undoubtedly, the return on new investment in the United States will be smaller than in many other countries, where capital has been destroyed or where capital has never been used in ways long familiar in the United States. Highways, railroad, telephone and telegraph facilities, power plants, and other less basic capital improvements are still greatly needed in wide areas of the world. The export of capital to replace lost facilities of proved merit and the introduction of ways of doing things long known to the more progressive countries offer a bright prospect for a profitable return on invested capital, provided the proper general environment can be established.

Let us ignore for a moment the generally unstable political and economic condition which has frequently characterized undeveloped countries and has constituted a real obstacle to the flow of American capital into otherwise attractive foreign

investments. That is a risk usually reflected in the rate of return. In general, large capital exports from the United States will provide a means of increasing productivity in foreign countries. The United States will benefit from the process initially by the export of capital goods, and ultimately by increased trade with these economies. As the standard of living rises with the increased output per worker, he will become better able to buy American goods. American investors in turn will have found a most profitable way to put their savings to work.

But we must put first things first. The world is far from this happy picture of the free flow of capital and of goods among nations. And private investment cannot be expected to take the initial risk. Private investors can make financial policy but they cannot make commercial policy. The initial task is one for the governments of the world, and that can only be done if this country takes the lead. At the moment, there are many governments who agree that economic barriers are an abomination, but they are helpless in the face of their economic requirements. The world cannot be changed by any grand gesture. It will require time and patience and ingenuity and wisdom. But the future is being made in the present. We are striving to draw the world together politically, and we must do the same thing economically. Political cooperation is difficult in a world of economic warfare. Full employment is difficult in a world where trade channels are blocked. We must place international economic relationships on a new basis. Our foreign loans can be investments in prosperity and peace.

Foreign Commerce Weekly

The following article of interest to readers of the BULLETIN appeared in the November 24 issue of *Foreign Commerce Weekly*, a publication of the Department of Commerce, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Canadian Export Credit Insurance" by Robert W. Rinden, second secretary and vice consul, American Embassy, Ottawa, Canada.

The Future of International Economic Relations

Address by CLAIR WILCOX¹

[Released to the press November 22]

The question to which I wish to invite your attention tonight can be stated briefly and simply. It is this: What is to be the future pattern of international economic relationships? This is a question of the gravest import for the future peace of the world and for the well-being of all the peoples of the world. It is a question which now presses urgently for an answer. It must be answered. It can be answered.

Social institutions are always subject to change. Human decision can and does affect the course of events. And this is especially true at a time like this. The political and the economic structure of the world has been shaken by war. It is obvious to everyone today that international relationships in industry, finance, and commerce must be rebuilt. The opportunity for making major alterations in this structure is now at hand. But time is short. Our power as social architects is greater this year and next than it will be a few years hence. If we delay until the international economy has hardened into a new mold, our greatest opportunity to shape it in the patterns of peace and prosperity will have been lost. The time for decision is now.

It is well known that there are numerous barriers, both public and private, which obstruct the flow of international trade. It is known, too, that these barriers have been rising during the past two or three decades. Two devastating wars and, between them, a world-wide depression have accelerated this trend. Governments have interfered, increasingly, with the movement of goods and services, money and securities across their borders. They have sought to curb imports by increasing customs formalities, by raising tariffs, by imposing quotas and embargoes, and by controlling the supplies of foreign exchange. They have sought to force exports by depreciating their currencies, by paying subsidies, and by bartering goods for goods. They have sought to gain at the expense of their rivals by entering into exclusive bilateral deals and by setting up preferential systems which discriminate among their suppliers and their customers. At the same time, they have permitted

their private traders to seek higher profits through cartel arrangements that have curtailed output, raised prices, and divided up the markets of the world. And, upon occasion, nations themselves have entered into arrangements that are designed to benefit their producers by curtailing output and boosting prices to the detriment of those outsiders who consume their goods.

I have said that the existence of these devices is well known. Their consequences are less fully understood. When one nation raises its tariff, when it imposes quotas on imports, it prevents the producers of other nations from selling in its markets. When it depreciates its currency, when it subsidizes its exports, it gives its own producers an artificial advantage over the producers of other nations in the markets of the world. When it enters into an exclusive treaty with another nation, under which each of them agrees to discriminate against the goods produced by everybody else, it obtains a favored position which excludes the producers of other nations from the markets concerned. When a nation sets up, within its own sphere of influence, a preferential trading system which discriminates against the other nations of the world, it denies to producers outside the system an equal opportunity to sell their goods. When a nation blocks its exchanges and compels those who have sold to it to accept payment, on a quasi-barter basis, in its own goods, it forces its products into their markets and keeps other products out. In all of these ways, nations prevent other nations from obtaining the foreign exchange which they must have if they are to import the materials and the machines which are essential to their industrial development.

Moreover, when an industrial nation permits its manufacturers to enter into cartel agreements which restrict the output and raise the prices of manufactured goods, and when a raw-material-producing nation itself enters into arrangements which are designed permanently to restrict the

¹ Delivered before the twenty-fifth annual meeting of the National Council for the Social Studies, Milwaukee, Wis., on Nov. 22, 1945. Mr. Wilcox is Director of the Office of International Trade Policy, Department of State.

output and raise the prices of raw materials, it makes these goods and these materials scarce and costly and, to that extent, denies them to the other peoples of the world.

All of these measures operate to restrict the purchasing power of the nations against which they are directed and thus to make it more difficult for such nations to expand their industry and to raise the planes of living of their peoples. In this way they lead to international friction, to retaliation, and perhaps even to war.

This was the unhappy story of international economic relationships between the two world wars. There were few exceptions. Of these, the most important was the passage of the Reciprocal Trade Agreements Act in 1934 and the negotiation, under its provisions, of mutually beneficial reductions in tariff rates between this country and some 20 other nations. Another was the stabilization, in 1936, of the rates of exchange between the pound, the dollar, and the franc. Aside from these bright spots, the story was one of increasing restrictionism and growing discrimination. The most comprehensive, the most complicated, and the most successful perversion of international trade was that accomplished by the German minister of finance, the notorious Dr. Schacht, now under indictment as a war criminal. Unfortunately, however, the elimination of Dr. Schacht from the political scene has not brought with it the elimination of the battery of weapons he used so well to serve the Nazi cause.

The war, with its necessities and its compulsions, has tightened the hold of governments on the world's trade. The channels of trade were broken by hostilities. Where they were not broken, they were altered to meet the requirements of war. The United States, like other countries, engaged in economic warfare as a supplement to military warfare. We bought goods that we didn't need to keep our enemies from getting them. We supplied goods to other countries to obtain from them the things we did need and to insure ourselves of their support. We denied goods to other countries to penalize them for not cooperating with us and to prevent them from aiding our enemies. The vast quantities of goods that moved across our borders were designed, in large part, for military use. In short, international trade has been an instrument of war. The question that we now must answer is whether it is to be a casualty of war.

These years have spawned a multitude of new controls. Exchange restrictions have become world-wide. Persons selling abroad have been required to turn their foreign moneys over to their governments. Persons buying abroad have been forbidden to make payments without the express permission of their governments. Quantitative controls, that is, import quotas and export quotas, have governed the movement of goods across national frontiers. Persons desiring to import or to export have been compelled to obtain licenses from the control authorities. In many cases, instead of licensing private traders governments have set up public agencies to handle a large part of their foreign trade. Agreements to barter goods for goods have taken the place of free markets. The regimentation of the world's commerce has become virtually complete.

Where do we go from here? The immediate prospect is not a pleasant one. The sad fact is that the world is geared, right now, to continue economic warfare, using the full panoply of weapons developed in the thirties and sharpened during the war. Neither we nor our neighbors have to learn the game: we know how to play it; we are organized to play it. Economic distress, suspicion, and recrimination can perpetuate it. The larger countries, especially the United States, Great Britain, and the Soviet Union, have merely to tighten their hold on the regions to which they have easy access and, perhaps, to capture other areas through exclusive contracts, discriminatory arrangements, and barter deals. If this were to happen—as it easily might—the world, instead of being drawn together through economic intercourse, would be split asunder into competing economic blocs. This is not the way to prosperity. It is not the way to peace.

What is the alternative? It is economic freedom, in the best sense of the word. Economic freedom, in international relations, means the unhampered transfer of money between countries. It means stable exchange rates. It means that barriers to the movement of goods across national boundaries will be few and small. It means that nations will not discriminate among their neighbors when they control their trade. We can hardly expect, in a world so long and so tightly bound by restrictions, that the elements of economic freedom can be realized overnight. But we can move toward freedom. And every step that we take in that direction will be a gain.

A world of economic blocs would be a sorry place in which to do business. Export and import programs would have to be made out in advance and negotiated with other countries. Export and import allocations would have to be assigned to individual traders. Licenses would have to be obtained for individual transactions. A vast bureaucracy would have to be set up to keep the records and police the regulations. The businessman, instead of buying and selling whatever he chose, at the time and the place and the price that he chose, would have to fight his way through a maze of controls. If we desire to stimulate individual initiative, if we seek to realize the advantages of private enterprise, we will not entangle the nation's traders in red tape.

A world of economic blocs, moreover, would be an unhappy world for the consumer. Restrictionism, even on a regional basis, could contribute little to planes of living. To the extent that the countries within a bloc might specialize, according to their particular capacities, and engage in trade with one another, they would be better off than they would have been without any trade at all. But they would be worse off than would have been the case if all of them had traded freely with the other nations of the world. It is likely, too, that the dominant country in any bloc would seek to drive hard bargains, keeping the terms of trade in its favor and requiring its satellites to produce according to its advantage rather than their own. Output and income would thus be lower than they otherwise might be.

But more important than these considerations is the fact that a world of economic blocs would tend to become a world of political and military blocs. Regions that declared economic warfare on the rest of mankind would have to bind themselves more tightly together for their own protection. And they would have to prepare themselves to meet force with force. The best that could be hoped for would be an uneasy truce. If the new world is to be divided in trade, it cannot be united in security.

In contrast, the benefits of international economic freedom are clear. It stimulates individual initiative and lets down the barriers to private enterprise. It promotes the geographic division of labor, permitting each country to produce those products for which it is best fitted, thus increasing the output of industry and raising planes of living throughout the world. It brings the peoples of different lands together, gives them an oppor-

tunity to know each other, and encourages them to cooperate for the common good. Stability and security are manifestly more attainable in a world united in plenty than in a world divided in want. Economic freedom makes for prosperity; it makes for peace.

What is needed, and needed now, is the stabilization of exchanges, the removal of exchange controls, the reduction of tariffs and other barriers to trade, the elimination of discriminations, and the uprooting of restrictive arrangements, private as well as public, so that people everywhere can begin to reap the harvest of increased world trade.

If these steps are to be taken, the United States must seek the cooperation of the other nations of the world. It would avail little for this country to conduct her own trade according to liberal principles if others among the major trading nations did not do likewise. But if we act in time they may well be persuaded to do likewise. Our influence is great. The United States, today, is by far the largest factor in the trade of the world. We are the greatest producer on earth, and the rest of the world is in desperate need of our goods. We are the only important lender on earth, and the rest of the world is in desperate need of our loans. Now, for a moment, we have been given the opportunity to lead the world toward expanding trade, toward plenty, and toward peace. If we do not seize it, it may never come to us again.

The people of this country are agreed, I think, that we should take this leadership. But we are not so clear as to the practical steps that are needed to make our leadership effective.

Those steps must approach the economic problems of a troubled world: the distress of many millions of people, the destruction, over wide areas, of the means of production, the loss, by many countries, of their power to earn foreign goods. Only as these pressing problems are put in the way of solution can we count on general acceptance of liberal principles of trade.

The economies of the war-torn countries of the world are going to be rebuilt. And we want to see them rebuilt, for humanitarian reasons, for economic reasons, and for reasons of political stability. But we do not want to see them rebuilt in the pattern of autarchy. It is in our interest, as well as theirs, that they be restored as integral parts of a world economy.

We in the United States have taken long steps in the direction of the kind of a world that we want to see. We are the largest single contributor to UNRRA, whose job it is to relieve immediate distress. Congress has enlarged the capital of the Export-Import Bank; it has increased the President's authority under the Trade Agreements Act; it has authorized our membership in the International Monetary Fund; it has approved our joining the International Bank for Reconstruction and Development. These are important steps, and they start us off on the right road. But they do not go far enough.

First of all, we must give some thought to the present position of our partners in arms. Great Britain has not yet accepted the International Monetary Fund, and the other countries whose currencies are dependent on the pound are waiting to see what she will do. This means that half of the trade of the world is now conducted in currencies which are not freely convertible into dollars. The world of commerce is split in two; it cannot be made one until Great Britain sees her way clear to accept the rules of non-discrimination which the Fund lays down. To bring this world together would be one of the main purposes of the extension to the United Kingdom by the United States of the line of credit which is now under discussion in Washington.

The reasons for the present financial difficulties of Great Britain are not difficult to see. Since 1939, she has devoted all of her resources to war. Her foreign assets have been sold; her foreign debts have grown; her commerce has been sacrificed. Her import needs are heavy, both for reconstruction and for the means of daily work and life, and they cannot wait until reconstruction is complete. Emergency financing is needed to help her over the hump.

For the longer future, Great Britain is a good financial risk. She has productive power, business reputation, commercial skill, and strong political and economic ties with many countries of the world. Given a grubstake, she can rebuild her economic life and join us in an effort to reconstruct the commerce of the world on liberal lines. Without emergency financing, she would have to draw in her belt, continue her controls, and try to perfect an exclusive trading system based on a sterling bloc. Her action would almost certainly be interpreted, in this country, as a challenge to an economic war.

If the United States took up the challenge, we would have to spend a good many billions to pull together and to hold the members of a dollar bloc. We have the power to do it, and there is no doubt that we could succeed, but to what end? The division of the world into contending blocs would be a tragedy for us, for Britain, and for every nation on earth. To prevent it, we and others should do everything we can. That is why we are considering the extension of credits to our Allies.

Financial measures are required by the emergency. But they cannot suffice to solve the long-run problems of world trade. They can only help to make solutions possible. If the peoples who now depend upon relief are eventually to become self-supporting, if those who now must borrow are eventually to repay, the world must be freed, in large measure, of the barriers that now obstruct the flow of goods and services. This is the final step that must be taken. This is the keystone that must be put into place if the arch is to stand.

In preparation for this task, a large staff, drawn from many of the departments and agencies of the Federal Government, has been at work for many months, developing a series of detailed proposals for the expansion of world trade and employment, to be laid before the people of this country and the other peoples of the world. The general character of these proposals was outlined, last Friday night, in a speech in Charleston, South Carolina, by the Secretary of State. I read now from that speech:

"We intend to propose that commercial quotas and embargoes be restricted to a few really necessary cases, and that discrimination in their application be avoided.

"We intend to propose that tariffs be reduced and tariff preferences be eliminated. The Trade Agreements Act is our standing offer to negotiate to that end.

"We intend to propose that subsidies, in general, should be the subject of international discussion, and that subsidies on exports should be confined to exceptional cases, under general rules, as soon as the period of emergency adjustment is over.

"We intend to propose that governments conducting public enterprises in foreign trade should agree to give fair treatment to the commerce of all friendly states, that they should make their purchases and sales on purely economic grounds, and

(Continued on page 874)

Effect of the Wool Market on Foreign Economic Relations

Statement by ASSISTANT SECRETARY CLAYTON¹

In your statement opening these hearings, Mr. Chairman, you said one thing which I should like to underscore:

"Heretofore we have attacked this problem by the restriction of production if not by the actual destruction of the commodities themselves and this has been done in the face of the acknowledged fact that by far the great majority of the people of the world are still unable to purchase the commodities which they need to maintain a decent standard of living. The State Department in its negotiations with foreign countries may well consider ways and means of urging foreign governments to stimulate living standards abroad so that the United States will not be called upon to continue to absorb world surpluses to the disadvantage of American producers."

I am not sure that I am altogether in agreement with some of the possible implications of the last few words that I have quoted from your statement, but with its general tenor I can assure you that the Department of State is in full agreement. Only last Friday night the Secretary of State in an address at Charleston, South Carolina, referring to the principles of commercial policy which we want to see applied by all nations in the post-war world said:²

"They [these principles] are based on the conviction that what matters most in trade is not the buttressing of particular competitive positions, but the increase of productive employment, the increase of production, and the increase of general prosperity.

"The reasons for poverty and hunger are no longer the stinginess of nature. Modern knowledge makes it technically possible for mankind to produce enough good things to go around. The world's present capacity to produce gives it the greatest opportunity in history to increase the standards of living for all peoples of the world.

"Trade between countries is one of the greatest forces leading to the fuller use of these tremen-

dously expanded productive powers. But the world will lose this opportunity to improve the lot of her peoples if their countries do not learn to trade as neighbors and friends. If we are going to have a real people's peace, world trade cannot be throttled by burdensome restrictions."

It is on this common ground of desire to promote conditions of prosperity both at home and abroad that I am glad to discuss with this Committee the problems which you are considering. The interests of the Department of State in the questions before the Committee are in general those which relate to the foreign economic relations of the United States. As I have said, a major objective of our foreign economic policy is the expansion of international trade as a means of facilitating increased production and rising standards of living in the United States and other countries. The Department is therefore concerned that all policies affecting United States foreign trade, including those relating to foreign trade in individual products, should be consistent with our broad general program of expansion.

Over a longer period of years the United States has been one of the world's largest importers of wool. During the war, large stocks of wool have accumulated in the countries producing for export. Policies which affect our importation of wool are, therefore, an important phase of our foreign economic relations generally, and one in which the Department of State has a vital interest.

Earlier testimony has already brought out the fact that in the United States, early in the war, contracts for wool goods for the armed forces provided a premium for the use of domestic wool. At that time there was danger that Australia and New Zealand would be cut off as sources of supply, and it was considered wise to stimulate domestic wool

¹ Made before the Senate Special Committee To Investigate Production, Transportation, and Marketing of Wool in the United States, Nov. 21, 1945.

² BULLETIN of Nov. 18, 1945, p. 785.

production. Prices of domestic wool, as a consequence of these premium payments, rose above the duty-paid import prices of foreign wool. Ceiling prices on domestic wool were established in 1942 by the Office of Price Administration after this spread between the price of domestic and duty-paid foreign wool had developed.

Because the Commodity Credit Corporation wool-purchase program, which began April 25, 1943 and is currently scheduled to continue through June 1946, maintains prices of domestic wool at this ceiling, mills are now buying foreign wool almost exclusively to produce goods for the domestic market. The Corporation is therefore accumulating in its stocks practically all of the domestic wool output.

There is no doubt that a program is urgently needed at this time which will enable domestic wool to move into the domestic market in competition with imported wool. Further, there is the long-run problem of determining the minimum requirements of domestic wool production in the United States for national security.

The methods which have been proposed to make domestic wool available to the domestic market and maintain a minimum level of wool production fall into two broad categories. The first category includes measures to adjust prices of foreign wool in this country upward toward the support prices of domestic wool by extending controls over wool imports through an increase in the import duty, the establishment of import quotas, or the importation of foreign wool by a government agency. The second category includes measures which would enable domestic wool to be sold to domestic mills at prices competitive with the duty-paid import prices of foreign wool.

The basic objection to measures falling in the first category is that they all require the erection of new barriers to international trade at a time when it is of the utmost importance that the United States carry out the mandate which the people have given to the President through a series of acts of Congress to pursue vigorously a program for expanding world trade through the reduction of such barriers.

The imposition of restrictive import quotas or importations through a government agency would have much the same result as an increase in the import duty on wool above the present basic rate of 34 cents per clean pound. Any one of these measures would therefore fly directly in the face

of the strong efforts which we are making to persuade other countries to join with us in knocking down the network of trade barriers which was strangling foreign trade of all countries, including that of the United States, in the years just preceding the war. If we want to achieve that level of prosperity at home and abroad to which the Chairman of this Committee referred, we cannot ourselves take the lead in building up new barriers to trade.

In his address to which I have already referred, the Secretary of State indicated that we shall shortly submit to the peoples of the world our views about these matters, and that we intend to propose that tariffs shall be reduced and tariff preferences be eliminated. An increase in one of our major tariff rates would be contrary to everything we are trying to do to open up the channels of international commerce.

Quotas have been one of the greatest obstacles to American exports that our trade has encountered. Their effects have been far more restrictive than have the tariffs of foreign countries. They are generally discriminatory in effect owing to the virtual impossibility of allocating quota shares to the exporting countries on an equitable basis. The Secretary of State, in his address, indicated that we intend to propose that commercial quotas and embargoes be restricted to a few really necessary cases and that discrimination in their application be avoided.

State trading, except in time of war, is utterly alien to the American way of doing business. While we do not intend to try to dictate what economic systems other countries shall have, I am sure the American people would not look with favor upon the substitution of public enterprise for private enterprise in this country. For those governments that do conduct public enterprises in foreign trade, we intend to propose that they should be operated so as to give fair treatment to the commerce of all friendly states, that they should make their purchases and sales on purely economic grounds, and that they should avoid using a monopoly of imports to give excessive protection to their own producers.

For these reasons the Department hopes that this Committee will seek measures which will enable domestic wool to compete with foreign wool in the domestic market at the duty-paid import price. To the extent that these measures may require appropriation of funds from the Federal

Treasury, such expenditures should properly be regarded as a part of the cost of the war and of future national security.

The question at issue here is not whether there shall be a subsidy, but what kind of a subsidy there shall be, who shall pay it, and how much it will cost. Tariffs or other controls over imports have the purpose of increasing the price of wool in the domestic market above the world price, and thus they constitute a subsidy to the domestic producer in that his return is higher than he would otherwise receive from the sale of the product. The difference is that, if imports are restricted, the consumer pays the subsidy on all the wool consumed whether domestically produced or imported, whereas in the procedure I have favored, the subsidy is paid by the taxpayers but only on that part of domestic consumption which is domestically produced. This would appear to be a more equitable way of allocating the cost of the subsidy required to maintain the domestic production of wool at a level which is deemed, as a matter of public policy, to be in the national interest.

If we use the method of selling the domestic

clip at the duty-paid import price, there must be assurances that the world price will not be depressed unreasonably by policies followed in liquidating the stocks which have accumulated during the war. This Government is therefore prepared to urge upon those countries which hold large stocks that the United States and other importing and exporting countries participate in the formulation of decisions governing liquidation policy.

Our Government is now making a frontal attack on barriers to world trade. If we erect further barriers, that action would be interpreted by all nations as evidence of lack of faith in our own policies. The reestablishment of trade patterns cannot be long delayed. Unless there is a general reduction of barriers soon, countries may be forced further to entrench themselves behind protective walls while they reconstruct and expand uneconomic industries in order to attain greater self-sufficiency. It is therefore the hope of the Department of State that the action taken by this Committee will be consistent with the foreign economic policy of this country which is directed toward the expansion of world trade.

Meeting of Preparatory Commission of the United Nations

FINAL MEETING OF EXECUTIVE COMMITTEE

[Released to the press by the Preparatory Commission of the United Nations October 27]

The Executive Committee of the Preparatory Commission of the United Nations whose 14 members have been meeting at Church House, Westminster, since August 16, 1945, completed its work on October 27. A final report was approved containing recommendations and proposals that are going forward to the Preparatory Commission. It was decided that the Preparatory Commission should meet on November 23 and decide on convening the first meeting of the General Assembly between January 2 and 7.

At the close of the October 27 meeting, the Chairman, Mr. Adlai Stevenson (United States), said in a farewell speech that yet another important milestone in the history of the United Nations had been passed. Although there had been disagreements in the Executive Committee, just as at Dumbarton Oaks and San Francisco, unanimous agreement had been reached on 90 percent or more

of the final report, including its most important provisions. The members of the Committee had gone on broadening the area of agreement and in the process they were learning to understand each other better. The way to collaborate was to collaborate; this had been done and he believed that this would also in the future be done.

M. Gromyko (Soviet Union) said that the Soviet Delegation had done its best to help prepare the useful and necessary recommendations for the Preparatory Commission, the General Assembly, and other main organs of the United Nations.

The Executive Secretary, Mr. Gladwyn Jebb, replying on behalf of the secretariat, said that some part of their success was due to the fact that they had managed to provide the Executive Committee with a secretariat which had some kind of team spirit. He hoped that this team spirit would transfer itself to the future international secretariat.

Report on Second Meeting of Rubber Study Group¹

[Released to the press November 24]

1. The second meeting of the Rubber Study Group which was established in 1944 by the Governments of the Netherlands, the United Kingdom and the United States to discuss common problems arising from the production, manufacture and use of rubber took place in London between November 19 and 23 inclusive. As announced on November 19, France has joined the Group. Mr. George Archer, Under Secretary of the Raw Materials Department, Ministry of Supply, presided over the Meeting. Mr. Donald D. Kennedy, Chief of the International Resources Division, Department of State, the leader of the U.S. Group, acted as vice chairman. The French Delegation was led by M. Peter, Director for Economic Affairs, Colonial Ministry, and the Netherlands Delegation by Mr. Westermann, Trade Commissioner for the Netherlands Indies in London.

2. Further studies of the prospective world rubber situation were presented to the Group on behalf of the participating governments. These included the latest information on the United States synthetic industry and such reports as have become available on conditions in the Far East since the liberation of the rubber producing areas.

3. United States capacity for the production of general and special purpose synthetic rubber is now about 1,055,000 tons per annum and total world capacity may be estimated at 1,300,000 to 1,400,000 tons. Preliminary reports from Indo-China indicate that there has been no damage to trees on rubber estates and that in Malaya not more than ten percent of the trees have been destroyed during the Japanese occupation. No reliable information is as yet available from the Netherlands Indies. Discussions took place on the measures being taken to rehabilitate the natural rubber producing areas. In view of the disturbed political conditions, the severe shortage of labor, equipment, food and other consumer goods and the disrupted transportation system which will require extensive repair and reequipment, any figure of the future rate of production must remain conjectural for some time to come. Stocks in various parts of the Far East at the time of liberation

were estimated to be from 200,000 to 300,000 tons but it is not known how much of these will actually be assembled and shipped. The Group, while emphasizing the tentative nature of any conclusions, suggest that supplies of natural rubber becoming available in manufacturing countries from all areas of the world including the Far East during 1946 might reach approximately 600,000 tons.

4. Looking to a longer period the Group saw no reason to modify the conclusion reached at its first meeting, namely that "Actual production, if required of the natural rubber areas of the world, could rise in three to four years to an annual figure in the neighborhood of 1,500,000 tons of rubber." This gives a total world potential capacity of natural and synthetic of about 2.7 to 2.8 millions tons though it should be stressed that actual production will probably not approach such figures.

5. The estimate made at the first meeting of the amount of rubber likely to be processed and consumed in the next few years put the figure at a maximum of 1,500,000 tons annually of all types of natural and synthetic rubber. The Group after full consideration felt that this remained a reasonable estimate. As previously stated, this estimate depends on the maintenance of a high level of economic activity in consuming countries, but assumes that there will be no sudden large development of the uses of rubber. The long-term trend of consumption is expected to continue upwards.

6. The disequilibrium between the productive capacity of the world and its demands for consumption which was foreseen at the first meeting is therefore still contemplated by the Group as a possibility in the course of two or three years. Discussions at the Group meetings suggest that there will be a range of uses for which natural rubber may be better suited than synthetic and another range in which synthetic may be preferable to natural. Between these, however, there may well be a large area in which satisfactory results may be expected from either form of rubber and where manufacturers are likely to be guided in their preference by the relative costs of the raw materials of processing and of the performance of the end products.

7. As regards costs, information discussed at

(Continued on page 872)

¹ Released simultaneously in London and Washington.

United States Policy on the Treatment of Germany

Address by JAMES W. RIDDLEBERGER¹

[Released to the press November 24]

I. The Formulation of Policy

A. How Policy Has Been Made

The basic objectives of the United States Government with respect to Germany may be broadly stated. They have been, first, to effect the unconditional surrender of Germany and the destruction of its military power, and, second, to insure that Germany shall not again become a menace to American security or to the peace of the world.

The elaboration of policies designed to achieve these ends has been a continuing process from Pearl Harbor to the present and is still going on. Today, six months after Germany's defeat, when the need for some degree of secrecy concerning policies still a subject for negotiation with our Allies is greatly lessened, it is possible and desirable to make a clear and specific statement of American policy. This policy has been worked out by progressive stages and modified to meet changing conditions. Of necessity, the short-range aspects of policy have heretofore had priority, those concerned with the defeat of Germany and the elimination of the immediate peril of a lawless, militaristic and economically powerful state. But now the emphasis is shifting to long-range policies, those concerned with the kind of Germany which we and our Allies will permit to arise in the future. This problem offers much greater opportunity for divergence of opinion and for conflicts of national interest, yet a solution is fundamental if the war shall not have been fought in vain. The defeat of Germany and the destruction of its immediate military might were complete in 1918, yet within 20 years a power even more menacing had emerged. Long-range policy today involves such a direction of German affairs as to insure the permanent eradication of those evil forces within Germany that have twice made the Reich a threat to civilization. The new Germany must possess neither the will nor the power to make war and

must be assimilable to the general community of peace-loving and law-abiding states.

This Government and, more particularly, the Department of State has often been accused of having no German policy. There has developed, however, a coherent and cogent body of policy, not perfect or complete, nor satisfying to all proponents of varying theses on "what to do with Germany", but adequate to deal with the succeeding phases of the German problem as they have emerged. The German problem is central to the whole problem of peace in Europe and world security and it is natural that strong passions have been aroused by its consideration. The profound interest of the American people in this vital issue is a measure of their awareness of its gravity. The Government has been aware of the existence of conflicting yet sincere convictions held by many groups and individuals concerning the treatment of Germany and has endeavored to make its announced policies conform as well as possible to the consensus of informed opinion. It has also been necessary to formulate policy to cover unforeseeable situations. The making of policy has been at all times and stages closely coordinated with the known policies of the other Allied powers with respect to Germany. An effective policy concerning Germany must be a joint policy. The necessity of maintaining Allied unity has been held to be of primary importance.

Since early in 1942 the State Department, in conjunction with the War and Navy Departments, the Joint Chiefs of Staff, and other interested official agencies, has been active in formulating policy directives dealing with every foreseeable contingency that might arise in our dealings with Germany, both before and after surrender. The guiding principles of policy were provided in a

¹ Delivered before the University of Kansas City and the Kansas City Council on World Affairs in Kansas City, Mo., on Nov. 24, 1945. Mr. Riddleberger is Chief of the Division of Central European Affairs, Office of European Affairs, Department of State.

number of presidential declarations. In these statements, President Roosevelt proposed the complete destruction of Prussian militarism and the military caste, of the Nazi regime and all its institutions, and the eradication of the Nazi concept of a master race. German power to make war was to be eliminated. There must be "stern punishment for all those in Germany directly responsible for this agony of mankind". The German people, once shorn of their power for evil, were not to be enslaved or permitted to starve, but were to be enabled to "earn their way back" into the confidence and fellowship of peace-loving nations. "We wish them to have a normal chance to develop in peace, as useful and respectable members of the European family."

These principles were incorporated into joint statements of the "Big Three", specifically in the Yalta declaration of February 12² and the Potsdam declaration of August 2, 1945.³

Within this general framework of policy, the Department of State together with other appropriate agencies worked out a series of directives to govern the action of our military commanders in Germany and for joint application, if possible, by all occupying powers. Much of the substance of these directives was the result of investigation and discussion by committees within the Department and of special interdepartmental committees. The chief agency, prior to German surrender, for coordinating Allied policy in Germany was the European Advisory Commission, created by the Moscow Conference of November 1943. Its chief achievement was the formulation of surrender terms for Germany, the determination of zones of occupation, and the creation of control machinery for enforcing all requirements imposed upon the Reich.

The over-all policy statement on Germany, formulated in its definitive form in April 1945 after various revisions by the State, War, and Navy Departments, was the so-called "JCS 1067". This document includes a statement of general objectives and specific directions concerning the military, political, economic, and financial treatment of Germany.⁴ It was and is the master directive

to General Eisenhower on the treatment of those portions of Germany under American jurisdiction, and constitutes a basic assertion of U.S. policy to be urged upon the other occupying powers for common agreement. Although superseded in certain respects by the Potsdam declaration, it remains the most comprehensive statement of American policy as now applied in Germany.

A further statement of Allied policy is the Agreement on Additional Requirements to be Imposed on Germany, negotiated in July 1945 and supplementing the formal surrender terms.⁵

B. Our Present Policy

The policy of this Government as progressively designed to achieve our objectives in Germany may now be summarized. This policy, in fact, constitutes an immense body of specific decisions and agreements on innumerable aspects of German affairs. These reflect both the highest policy considerations and the expert knowledge of many specialists who have examined all phases of the German problem. It is a fixed and definite policy in that it accords in all aspects with paramount governing aims and principles but is sufficiently flexible to permit modification in detail as new situations arise. It is believed that it is eminently a practical policy, one that represents a balance between extremist and unworkable solutions and thus offers the greatest prospect of tangible achievement.

OBJECTIVES

The objectives of American and Allied policy with respect to Germany were reasserted in the Potsdam declaration. German militarism and Nazism are to be extirpated and all essential measures taken "to assure that Germany never again will threaten her neighbors or the peace of the world." At the same time, "It is the intention of the Allies that the German people be given the opportunity to prepare for the eventual reconstruction of their life on a democratic and peaceful basis. If their own efforts are steadily directed to this end, it will be possible for them in due course to take their place among the free and peaceful peoples of the world."

FRONTIERS

The frontiers of Germany are for the present to be considered as those of January 1, 1938 (prior

² BULLETIN of Feb. 18, 1945, p. 213.

³ BULLETIN of Aug. 5, 1945, p. 153.

⁴ BULLETIN of Oct. 21, 1945, p. 596.

⁵ BULLETIN of Oct. 7, 1945, p. 515.

to the first forcible annexation of territory by Hitler). For purposes of occupation and control, the former German territory lying east of the Oder and Neisse Rivers is not to be subject to the four occupying powers but is under the administration of the Polish state (except for the Koenigsberg district of East Prussia, which is under Soviet control). Although there is a strong presumption that these eastern areas will be permanently detached from Germany, the final determination of German frontiers is left to the definitive peace settlement. Austria is to be permanently detached from the Reich and constituted as a free and independent state.

TRANSFER OF GERMAN POPULATIONS

In order to minimize future dangerous minority problems, the necessity for the transfer to Germany of "German populations, or elements thereof" from Poland, Czechoslovakia, and Hungary is recognized. Such transfers are to be "effected in an orderly and humane manner", by agreement between the powers controlling Germany and the states concerned.

OCCUPATION AND CONTROL OF GERMANY*

For purposes of occupation and control Germany is divided into four zones. For coordinating policy in all zones and determining policy on matters affecting Germany as a whole, a Control Council is established at Berlin, composed of the Commanders in Chief of the four occupying powers. Decisions of the Council must be reached by unanimous vote. Complete authority over Germany in all respects is assumed by the occupying powers and exercised by them in their zones through their respective commanders and jointly through the Control Council. Greater Berlin is also zoned and governed by a joint Allied authority. The occupation and control of Germany is to last as long as may prove necessary for the accomplishment of Allied purposes.

TERRITORIAL AND ADMINISTRATIVE STRUCTURE

Germany is to be maintained for the present as an entity, but the administration of affairs is to be directed toward the "decentralization of the political structure and the development of local responsibility." Present developments indicate clearly that Prussia is to be broken into a number of autonomous states and that most of the other

states will probably survive in modified form as constituent units of a new federal union.

DEMILITARIZATION

Germany is to be completely deprived of military power, both actual and potential. All armed forces, military and para-military organizations are to be abolished and prohibited. All arms, ammunition, and implements of war are to be destroyed or placed at the disposal of the Allies. No future production of war materials is to be permitted. Those sectors of German economy directly related to war production are to be eliminated or controlled. Every type of national activity which might be directed toward preparation for future war is to be placed under Allied surveillance.

DE-NAZIFICATION

The National Socialist Party and all its affiliated organizations are to be dissolved and their revival in any form prohibited. All laws fundamental to the Nazi regime or embodying its theories are to be abrogated. All active party members and all Nazi supporters or sympathizers are to be excluded from public office or posts of influence in civic, economic, or cultural life. Certain categories of Nazi leaders and other persons dangerous to the occupation are to be placed under security arrest. All party property is to be held for ultimate disposition by the occupation authorities. Every precaution is to be taken against a revival of Nazi ideas or institutions, and the fact of Nazi responsibility for the war and its disastrous consequences for Germany is to be brought home to the German people in forceful fashion.

WAR CRIMINALS

Suspected war criminals and all who have participated in planning or carrying out Nazi enterprises involving or resulting in atrocities or war crimes are to be arrested and brought to judgment. Persons charged with offenses against any of the United Nations are to be apprehended and brought to trial at the scene of their crimes and under the laws which they have violated. Those charged with more general offenses against the law and comity of nations are to be tried before Allied tribunals.

*For texts on arrangements for control of Germany by Allied representatives, zones of occupation, and control machinery in Germany, see BULLETIN of June 10, 1945, p. 1051, and Aug. 19, 1945, p. 275.

ECONOMIC AND FINANCIAL CONTROL

The economic and financial life of Germany shall be subjected to such controls as may be considered essential to the attainment of Allied objectives. Germany under occupation is to be treated as a single economic unit and common policies established. German economy is to be systematically decentralized "for the purpose of eliminating the present excessive concentration of economic power as exemplified . . . by cartels, syndicates, trusts and other monopolistic arrangements." Reconstruction of German industry shall be permitted only to the extent necessary to meet the requirements of the occupation and to sustain a German economy oriented to peacetime production. For the present the German standard of living shall not exceed the average standards of western continental Europe.

Germany is not to be "pastoralized" or de-industrialized under existing directives. But agricultural output is to be maximized, and Germany's war potential, which lies mainly in heavy industry, is to be reduced to the lowest point compatible with a healthy and self-sustaining economic life.

REPARATIONS AND RESTITUTION

Germany is to make full restitution of looted property or its equivalent. It shall make compensation in kind for damage caused by Germany to the Allied nations during the war to the fullest possible extent. Reparations claims of the U. S. S. R. and Poland shall be met by removals from the eastern zone and from external assets; claims of other countries are to be met from the western zones and external assets. In addition certain amounts of surplus German capital equipment from the western zones over and above the needs of the German peace economy are to be awarded to the Soviet Government.

Reparations requirements are designed to effect the speediest possible rehabilitation of areas devastated by German arms, but not to impose long-term financial servitudes on Germany which might prove unenforceable and a barrier to the revival of world trade.

GERMAN ADMINISTRATION

All phases of German public administration shall be under the control of the Allied authorities, and there shall exist, for the time being, no

central German Government. But it is our policy, increasingly so at present, to reestablish German administrative agencies, first at the local and later at higher levels, manned by persons "who, by their political and moral qualities, are deemed capable of assisting in developing genuine democratic institutions in Germany." It was agreed at Potsdam that a few essential central German administrative departments should be established, particularly in relation to vital economic services. German authorities are to the fullest extent practicable to proclaim and assume administration of essential economic controls. The practice has been, in general, to revive pre-Nazi organs and units of administration, including courts of law and judicial agencies. Administration is directed toward the lasting decentralization of Germany's political structure and the maximum assumption of local and regional responsibility. All institutions of distinctively Nazi inception or character are to be abolished.

POLITICAL ACTIVITIES

At the earlier stages of the occupation of German territory, security reasons dictated rigid restraints upon freedom of speech and of the press, assembly, party, and trade-union activity. Hence also the ban on fraternization.

When German defeat was complete and the disarmament and de-Nazification of the Reich were largely achieved, policy was modified accordingly. It is now the aim of this Government and of the Allies to effectuate such an indigenous revival of political life in Germany as may establish the foundations of a free, democratic society and eradicate once for all the reactionary political and social forces which have made Germany a menace to the world. It is therefore the present policy of the Allies to encourage the resumption of free political and trade-union activities with a view to an early restoration of representative government based upon free speech, press, and assembly.

It is this Government's conviction that the only enduring insurance against a revival of the German threat is such a transformation of German society as will eliminate those reactionary, ultra-nationalistic forces which have dominated the German state for nearly a century, and give free rein to the democratic, law-abiding, and peace-loving elements of the German people. Only a Germany cleansed from within can become an abiding bulwark of peace in the world.

REEDUCATION

It is recognized that a paramount necessity for the pacification of Europe will be the psychological disarmament of Germany. This is fully as imperative as the destruction of German military power. If the will to war persists it will break through any fetters which we may impose. To this end every medium for influencing German thought and opinion is to be controlled, including the schools, press, radio, movies, and all informational agencies, so as to prevent the further dissemination of Nazi or militarist doctrines. A coordinated system of control over German education is to be established designed to make possible an affirmative program of reorientation and the successful development of democratic ideas. Here again, as in political life, the task, although closely supervised by the Allied authorities, must be undertaken by the Germans themselves. Hitler's power was due in large measure to his conquest of the German mind. Our task will be to facilitate the conversion of German thinking to the ethics of a humane and Christian civilization and the development of the finer elements of Germany's own cultural tradition.

RELIGION

Freedom of religion and of religious institutions is to be permitted, subject to the requirements of military security. The question of the existence or control of denominational schools and of religious instruction is to be left to the decision of the German people as democratically determined.

II. The Application of Policy

A. Difficulties in Application

This outline of our policy for dealing with Germany must make apparent the tremendous difficulties of the task we have undertaken. Not only are we committed to the destruction of the Nazi-militarist system but we must also exercise for a time full authority over the German state and every aspect of German life. We must assure that the new Germany shall be so completely transformed as never again to menace the peace of the world. And as Germany is the heart of Europe so the task of controlling and reforming it involves far-reaching responsibilities with respect to the entire European settlement.

The difficulty of the undertaking is magnified enormously by the utter destruction wrought within Germany in the last phases of the war so sense-

lessly prolonged by hopeless Nazi resistance. We have taken over a bankrupt concern, a nation whose political and economic system has almost completely disintegrated and which is a cultural and spiritual desert. The material basis for an ordered existence scarcely exists. Most of Germany's once thriving cities lie in ruins. German economy now operates at only a small fraction of its normal capacity. Millions are without homes, and additional millions of refugees and displaced persons must be cared for. Problems of food, clothing, shelter, fuel, and health are extremely urgent with the approach of winter, and must be met if wide-spread disease, epidemics, and starvation are to be avoided.

These facts are cited not to arouse sympathy for the plight of the German people—they have brought this catastrophe upon themselves—but to emphasize the obstacles which confront us at every step in carrying our German policy into effect. A policy which eventuated only in economic and social chaos could only thwart the constructive European settlement toward which we are working. There has been much pointless debate about a "hard" vs. a "soft" peace. The real problem is rather to find effective means for eradicating those evil forces and institutions, often closely interwoven with German public life, which represent the real danger, while at the same time enabling the German people to build anew and from new foundations a social and governmental structure dedicated to peaceful ends.

And we must always realize that this Government does not exercise sole power over Germany. That power is shared, and rightly, by the major Allied nations. We need not conceal the fact that differences have arisen and will arise in the application even of agreed policies. Despite such differences we have achieved together with our Allies a substantial measure of agreement on basic and determining policies and success in their joint application. Germany is a major test of Allied unity. And it is this Government's determination to work in close collaboration with the other states associated with us in the control of Germany and to surmount all difficulties inherent in an international solution of the German problem.

B. Negative Aspects

The occupation of German territory began about one year ago. Unconditional surrender occurred last May. At present the task of subduing Ger-

man resistance and establishing effective control over all German territory and all aspects of German public and private life is virtually complete. Germany is occupied in accordance with inter-Allied agreements, and complete authority is exercised through the Control Council and the respective zonal commanders. There remains no vestige of organized resistance nor of independent German authority.

Control machinery has been set up in Berlin and in the four zones and, for the most part, is operating smoothly. It cannot be claimed that full success has been achieved in the formulation of joint policies for all of Germany. Yet a considerable area of agreement has been reached, and progress is being made at the Control Council level and through intergovernmental negotiation toward decision on problems affecting Germany as a whole. There are some variations in zonal policies, but these relate primarily to ways and means of attaining the agreed Allied objectives for Germany and do not represent basic differences. Military government is certainly not above criticism, but, as Assistant Secretary of War McCloy has stated, it is being undertaken "often at great personal sacrifice, by able men of intelligence and good will, who are carrying out a thankless task under difficult conditions."

The German military establishment has been liquidated. Of six million members of the armed forces held by United States authorities, about three fourths have been disarmed and discharged or transferred to other zones. The German General Staff has been dissolved and full precautions taken against its reconstitution in any form. All German war material, installations, and equipment are under control; their destruction or disposal in accord with security requirements is under way. German war economy, according to General Eisenhower, is thoroughly demilitarized with no prospect of its restoration in the foreseeable future. All military or para-military organizations are dissolved and every manifestation of the military spirit effectively curbed.

The Nazi Party and all of its affiliated organizations have been dissolved and their revival prohibited. The exclusion of Nazis from posts of influence in civil administration is virtually complete, and considerable progress has been made in their elimination from economic life. By September 15 more than 100,000 Nazis and militarists

had been eliminated or barred from public office in the United States zone; 20,000 had been removed from business, finance, and education. Some quarter of a million additional names are being investigated. For the time being, at least, Nazism has been destroyed as a force in public life.

Moreover, persons considered dangerous to the occupation and to Allied objectives have been placed under arrest. These now include over 80,000 Nazis and many others of prescribed categories. Thousands are being held to face war-crimes charges. The trial of 20 of the outstanding Nazi leaders has now begun at Nuremberg.

The repatriation of foreign displaced persons has been a gigantic task. By October, five and a quarter million had been repatriated from the three western zones, with about one million yet to be disposed of. The care of these persons has been a major problem but has been met successfully despite immense difficulties relating to food, housing, transport, and medical aid.

The assimilation of Germans displaced from eastern areas offers an even more formidable task, but plans are being formulated for their reception. Probably four and one half million will need to be absorbed in the United States zone.

The related tasks of eliminating Germany's economic war potential and exacting reparations have necessarily proceeded slowly, as extensive surveys are essential to determine, in each zone, what plants and equipment are surplus above the requirements of a peace economy. The Allied purpose is not to loot Germany or to injure European economy, but to strike an even balance between the necessity for making Germany powerless for war while compensating the victims of German aggression, and such restoration of German economy as will assure the satisfaction of legitimate needs by German efforts. Germany must neither be a menace nor a burden to her neighbors.

At present, steps are being taken to achieve these ends. Industrial plants not readily convertible to peacetime purposes are being destroyed. In the American zone 15 surplus industrial plants have been dismantled for transfer abroad on reparations account. German coal production is being stimulated to meet the needs of creditor nations. Great concerns such as I. G. Farben have been taken over and are being diverted either to reparations needs or production of essential consumer goods. But for the most part the industrial

reconversion of Germany is still in the survey stage and will take time. Meanwhile the terrific devastation wrought by the war upon the German economy is adequate insurance against any immediate threat of revived war power.

C. Positive Aspects

Now that the immediate power of Germany for evil is virtually liquidated, the positive aspects of our policy are coming to the fore. It is no less important than the destruction of the Nazi-militarist regime so to direct German affairs that the new Germany that emerges will not constitute a menace even after occupation and direct control are terminated. The new regime must not only lack capacity for war; it must have a will for peace. Our job is not only to police Germany; it is to make possible the reform of Germany.

This Government is not under the illusion that Germany can be reformed from without. The Allied powers can only create conditions under which the task of regeneration can be undertaken by reliable and responsible Germans with some hope of success.

A most difficult and pressing problem today is the restoration of German economy to a point which will enable the German people to live without endangering their neighbors. The great need, as General Eisenhower has recently made clear, is not for imposing further curbs but for rebuilding to meet the most urgent needs if disaster not only for Germany but for Europe is to be averted. In the United States zone only 15 percent of the productive enterprises, other than agricultural, are operating, and their total output is only 5 percent of capacity. The gross national output of Germany is not more than 25 percent of the wartime level, while reserves of essential commodities are either low or non-existent. The black market is rampant and the threat of inflation and general economic collapse is imminent. With the further influx of refugees and the coming of winter, conditions will become even more critical.

We are endeavoring to combat the black market and stem the tide of inflation. Price and rationing controls are being maintained. All efforts are being made to maximize food production in the future, although for the present considerable imports of foodstuffs will be needed to avert large-scale malnutrition, disease, and starvation. Our plans call for breaking down the zonal barriers

which now obstruct the flow of commodities and make millions of Germans dependent on imported goods. The transport system has been largely rebuilt—over 80 percent of the railroads in the U.S. zone are now usable. Export-import controls are being devised to insure that Germany may again pay for essential imports and make reparations while not being in a position to gain a stranglehold over the economic life of other peoples. Production is being gradually revived in fields vital to occupation and peacetime needs but not dangerous to security.

The success of our de-Nazification program has enabled us to reestablish German administrative agencies from local to state levels. In the American zone administration now centers in three *Land* governments, Bavaria, northern Württemberg and Baden, and Greater Hesse. Responsibility is being progressively transferred to approved German officials and agencies, and it is probable that by next June all administration below the *Land* level will be in German hands. The judicial system has been purged and reorganized in accordance with civilized concepts of justice; over 100 district courts and 15 regional courts are now open in the U.S. zone. Moreover our success in rebuilding German administration and the failure of any organized resistance to the occupation to develop make it probable that military government may be terminated perhaps by next spring and replaced by supervisory civilian agencies.

With the revival of autonomous German administration, our Government believes it of urgent import that democratic political life be revived as speedily as possible. Hence we now sanction and encourage the formation of political parties, in accordance with the Potsdam agreement. Parties have now been formed in all large cities and in some smaller centers. In addition, trade unions are being encouraged to organize and steps are being taken to authorize the federation of labor groups so as to create a united German labor movement as one of the bulwarks against a revival of Nazism. Free elections for union officials and works councils are now authorized and have been widely held. It is now planned to hold elections for local government officials throughout our zone in January, to be followed later by elections for county, regional, and state officials and popular organs. Thus an autonomous and democratically

selected German administration will be created progressively from local to state levels.

The task of reeducation has been attacked on many fronts. All informational and cultural agencies are controlled—the press, radio, film and theater in particular. Our efforts have been directed toward the presentation of accurate and unbiased information to the German people. Army-controlled newspapers reach nearly 4,000,000 subscribers in our zone. A number of papers edited by licensed Germans have now attained wide circulation. As rapidly as possible it is planned to return information agencies to anti-Nazi and reliable Germans. School faculties have been purged and textbooks and curricula have been purified of Nazi-militarist taint. Elementary schools are generally open in our zone, as elsewhere in Germany, and enroll over 1,200,000 pupils. Secondary schools and universities are to be opened as rapidly as de-Nazification and material conditions permit. Religious freedom prevails, and every encouragement is extended to the churches to resume their normal activities. The problem of denominational schools is left to the decision of the various communities; many are now open in the American zone. A number of theological seminaries have been opened. It is hoped that the religious forces of Germany which offered perhaps the most consistent opposition to the Nazi regime during its period of domination will be a source of strength in the rebuilding of a Germany dedicated to humane and Christian principles.

Our educational policy has been criticized as too negative and lacking in positive content and purpose. But it has been felt unwise and impracticable to attempt to impose an alien program upon Germany. Our policy now is to insure that the whole mechanism of education and information control be ultimately transferred to trustworthy Germans and to give them free rein and encouragement in the work of moral, spiritual, and intellectual rehabilitation.

The achievement of our long-range objectives for Germany is inevitably a task requiring time and patience. But a substantial beginning has been made amid conditions of unparalleled difficulty. And certain decisions must wait upon the general European and world settlement. Of this nature are the questions of Germany's frontiers, of the permanent controls to be maintained over

Germany, and of Germany's position in the future international order. Even the question of the recognition of an independent German government must wait upon developments, perhaps for many years. But the guiding principles of our policy will remain the same: to insure against a resurgence of the German menace while reactivating constructive and democratic forces within Germany.

III. Facing the Future

Today, six months after the defeat of Germany, we have only begun our attack upon the German problem. We have encountered unparalleled difficulties in a task without precedent in history. A situation more critical than any yet faced may confront us this winter. The Department of State will be called upon to assume a greater share of responsibility for the administration of Germany; its officials are fully aware of the magnitude of the undertaking which lies ahead. The purely military phase is nearly ended and the period of peacetime reconstruction under civilian auspices is almost upon us.

In approaching its task, our Government will not lose sight of certain paramount considerations which link the German problem closely with our hopes of lasting peace. There are three that I would like to stress in concluding this review of our German policy.

We all recognize that one of the greatest threats to future peace would be the break-down of unity among the powers which have conquered Germany. The Nazis hoped for this, and today it remains the only hope of reactionary elements in Germany for the revival of German military power. We realize, too, that the most delicate aspect of this problem arises in the relations between the western powers and Russia.

At present Germany offers a test of cooperation among the major powers. We are committed, together with Russia, to a basic policy with respect to Germany which we believe to be sound. We are engaged in the joint application of this policy on German soil, in the heart of Europe, the meeting-place of east and west. Failure here would be tragic and might result not only in the revival of the German menace but in the division of Europe into rival spheres of influence.

We are determined, therefore, to maintain four-power unity in the control of Germany. This will involve a sustained uniform policy in all vital

matters, unified and integrated control machinery so long as necessary, and ultimate joint recognition of an approved and acceptable German government. Success in the joint control of Germany will establish a precedent of four-power cooperation which may facilitate the amicable solution of other problems which now vex international relationships. The administration of Germany is a practical enterprise. By overcoming the obstacles which must inevitably arise in the application of agreed policies and in the meeting of concrete situations, we shall build more firmly the structure of peace in Europe and in the world.

In facing immediate and emergent issues it is becoming clear that the crux of the problem is the economic treatment of Germany. Here we confront two dangerous alternatives. If, in our zeal to destroy German war potential, we effect too drastic a reduction of German economy, we may defeat our own purposes. If the Germany of the future is shorn of the means of subsistence or of making any constructive contribution to the well-being of Europe, there can be little prospect of the enduring pacification of the continent. The German people, desperate and embittered, could only become a breeding-ground for dangerous ideologies and movements. There would be no hope for the emergence of a democratic and peaceful regime. And Germany cannot be maintained indefinitely on the basis of a "soup kitchen" economy.

If, on the other hand, we hesitate to go far enough in eliminating the chief sources of Germany's military power, we may leave entrenched the same sinister economic forces which have menaced world security. Such a policy would certainly antagonize Russia, France, and other states more immediately exposed to German aggression. We would be open to the charge of building up a strong Germany as a bulwark against the Soviet Union.

Our policy must hit upon a practical mean between these two dangerous courses, with an eye both to present necessities and future risks. We shall endeavor to make a clearer distinction between that legitimate and viable peacetime economy predicated at Potsdam and a "war potential" economy. There must be a clearer specification of maximum reparations requirements. There will be no pampering of the Germans, but they

must be enabled to achieve reasonable standards of living with hope for a constructive economic future.

And finally we must face squarely the dilemma implicit in the political reconstruction of Germany. The old order which made nationalism its god and war its instrument must be permanently destroyed. But we cannot permit a political vacuum to arise; a new order must be created. And this we cannot do ourselves; only the Germans can do it. We must cultivate and strengthen those elements that have withstood the Nazi terror. As long as our control is essential to the complete liquidation of the old political order it must be maintained. But we must work incessantly to achieve our long-range purpose. We must render all possible encouragement and assistance to the democratic forces of Germany in their effort to effect a peaceful but enduring transformation of the German body politic.

Allied occupation cannot be permanent. The final test of our policy will come with our withdrawal. Germany must be so completely regenerated, politically, socially, and spiritually, that we can safely withdraw. We must have full assurance that the government which succeeds us is democratic and wholly dedicated to peaceful objectives. We must try to leave a Germany against which the world need not be constantly on guard, and fit to join with all law-abiding nations in the task of maintaining the common security.

Publication of "Trial of War Criminals"

[Released to the press November 20]

Extensive background of the international trial of major European war criminals, which opened on November 20 in Nürnberg, is provided in a pamphlet published on the same day by the State Department.

The document, entitled "Trial of War Criminals", reproduces essential portions of Robert H. Jackson's June 7, 1945 report to the President and the full texts of the Agreement for the Establishment of an International Military Tribunal, before which the accused are appearing, and of the Indictment.

The pamphlet is on sale by the Superintendent of Documents, Government Printing Office, for 20 cents a copy.

International Military Tribunal

OPENING ADDRESS FOR THE UNITED STATES OF AMERICA¹

— by —

ROBERT H. JACKSON

*Representative and Chief of Counsel
for the United States of America*

MAY IT PLEASE YOUR HONORS,

The privilege of opening the first trial in history for crimes against the peace of the world imposes a grave responsibility. The wrongs which we seek to condemn and punish have been so calculated, so malignant, and so devastating that civilization cannot tolerate their being ignored because it cannot survive their being repeated. That four great nations, flushed with victory and stung with injury, stay the hand of vengeance and voluntarily submit their captive enemies to the judgment of the law is one of the most significant tributes that Power ever has paid to Reason.

This Tribunal, while it is novel and experimental, is not the product of abstract speculations nor is it created to vindicate legalistic theories. This inquest represents the practical effort of 4 of the most mighty of nations, with the support of 14 more, to utilize international law to meet the greatest menace of our times—aggressive war. The common sense of mankind demands that law shall not stop with the punishment of petty crimes by little people. It must also reach men who possess themselves of great power and make deliberate and concerted use of it to set in motion evils which leave no home in the world untouched. It is a cause of this magnitude that the United Nations will lay before Your Honors.

In the prisoners' dock sit 20-odd broken men. Reproached by the humiliation of those they have

led almost as bitterly as by the desolation of those they have attacked, their personal capacity for evil is forever past. It is hard now to perceive in these miserable men as captives the power by which as Nazi leaders they once dominated much of the world and terrified most of it. Merely as individuals, their fate is of little consequence to the world.

What makes this inquest significant is that these prisoners represent sinister influences that will lurk in the world after their bodies have returned to dust. They are living symbols of racial hatreds, of terrorism and violence, and of the arrogance and cruelty of power. They are symbols of fierce nationalisms and of militarism, of intrigue and war-making which have embroiled Europe generation after generation, crushing its manhood, destroying its homes, and impoverishing its life. They have so identified themselves with the philosophies they conceived and with the forces they directed that any tenderness to them is a victory and an encouragement to all the evils which are attached to their names. Civilization can afford no compromise with the social forces which would gain renewed strength if we deal ambiguously or indecisively with the men in whom those forces now precariously survive.

What these men stand for we will patiently and temperately disclose. We will give you undeniable proofs of incredible events. The catalog of crimes will omit nothing that could be conceived by a pathological pride, cruelty, and lust for power. These men created in Germany, under the "Führerprinzip", a National Socialist despotism equalled only by the dynasties of the ancient East. They took from the German people all those dignities and freedoms that we hold natural and inalienable rights in every human being. The people were compensated by inflam-

¹ Excerpts from the address delivered at the Palace of Justice, Nürnberg, Germany, on Nov. 21, 1945. For a list of the defendants on trial see BULLETIN of Oct. 21, 1945, p. 595. For texts of the Agreement for the Establishment of an International Military Tribunal and for the Charter of the International Military Tribunal, see BULLETIN of Aug. 12, 1945, p. 222. For complete text of Mr. Jackson's opening address, see War Department press release of Nov. 21, 1945.

ing and gratifying hatreds toward those who were marked as "scapegoats". Against their opponents, including Jews, Catholics, and free labor, the Nazis directed such a campaign of arrogance, brutality, and annihilation as the world has not witnessed since the pre-Christian ages. They excited the German ambition to be a "master race", which of course implies serfdom for others. They led their people on a mad gamble for domination. They diverted social energies and resources to the creation of what they thought to be an invincible war-machine. They overran their neighbors. To sustain the "master race" in its war-making, they enslaved millions of human beings and brought them into Germany, where these hapless creatures now wander as displaced persons. At length bestiality and bad faith reached such excess that they aroused the sleeping strength of imperiled civilization. Its united efforts have ground the German war-machine to fragments. But the struggle has left Europe a liberated yet prostrate land where a demoralized society struggles to survive. These are the fruits of the sinister forces that sit with these defendants in the prisoners' dock.

In justice to the nations and the men associated in this prosecution, I must remind you of certain difficulties which may leave their mark on this case. Never before in legal history has an effort been made to bring within the scope of a single litigation the developments of a decade, covering a whole continent, and involving a score of nations, countless individuals, and innumerable events. Despite the magnitude of the task, the world has demanded immediate action. This demand has had to be met, though perhaps at the cost of finished craftsmanship. In my country, established courts, following familiar procedures, applying well-thumbed precedents, and dealing with the legal consequences of local and limited events, seldom commence a trial within a year of the event in litigation. Yet less than eight months ago today the courtroom in which you sit was an enemy fortress in the hands of German SS troops. Less than eight months ago nearly all our witnesses and documents were in enemy hands. The law had not been codified, no procedures had been established, no tribunal was in existence, no usable courthouse stood here, none of the hundreds of tons of official German documents had been examined, no prosecuting staff had been assembled, nearly all

the present defendants were at large, and the four prosecuting powers had not yet joined in common cause to try them. I should be the last to deny that the case may well suffer from incomplete researches and quite likely will not be the example of professional work which any of the prosecuting nations would normally wish to sponsor. It is, however, a completely adequate case to the judgment we shall ask you to render, and its full development we shall be obliged to leave to historians.

Before I discuss particulars of evidence, some general considerations which may affect the credit of this trial in the eyes of the world should be candidly faced. There is a dramatic disparity between the circumstances of the accusers and of the accused that might discredit our work if we should falter, in even minor matters, in being fair and temperate.

Unfortunately, the nature of these crimes is such that both prosecution and judgment must be by victor nations over vanquished foes. The worldwide scope of the aggressions carried out by these men has left but few real neutrals. Either the victors must judge the vanquished or we must leave the defeated to judge themselves. After the first World War, we learned the futility of the latter course. The former high station of these defendants, the notoriety of their acts, and the adaptability of their conduct to provoke retaliation make it hard to distinguish between the demand for a just and measured retribution and the unthinking cry for vengeance which arises from the anguish of war. It is our task, so far as humanly possible, to draw the line between the two. We must never forget that the record on which we judge these defendants today is the record on which history will judge us tomorrow. To pass these defendants a poisoned chalice is to put it to our own lips as well. We must summon such detachment and intellectual integrity to our task that this trial will commend itself to posterity as fulfilling humanity's aspiration to do justice.

At the very outset, let us dispose of the contention that to put these men to trial is to do them an injustice entitling them to some special consideration. These defendants may be hard pressed but they are not ill used. Let us see what alternative they would have to being tried.

More than a majority of these prisoners surrendered to or were tracked down by forces of the United States. Could they expect us to make

American custody a shelter for our enemies against the just wrath of our Allies? Did we spend American lives to capture them only to save them from punishment? Under the principles of the Moscow Declaration, those suspected war criminals who are not to be tried internationally must be turned over to individual governments for trial at the scene of their outrages. Many less responsible and less culpable American-held prisoners have been and will be turned over to other United Nations for local trial. If these defendants should succeed, for any reason, in escaping the condemnation of this Tribunal, or if they obstruct or abort this trial, those who are American-held prisoners will be delivered up to our continental Allies. For these defendants, however, we have set up an International Tribunal and have undertaken the burden of participating in a complicated effort to give them fair and dispassionate hearings.

That is the best known protection to any man with a defense worthy of being heard.

If these men are the first war leaders of a defeated nation to be prosecuted in the name of the law, they are also the first to be given a chance to plead for their lives in the name of the law. Realistically, the charter of this Tribunal, which gives them a hearing, is also the source of their only hope. It may be that these men of troubled conscience, whose only wish is that the world forget them, do not regard a trial as a favor. But they do have a fair opportunity to defend themselves—a favor which these men, when in power, rarely extended even to their fellow countrymen. Despite the fact that public opinion already condemns their acts, we agree that here they must be given a presumption of innocence, and we accept the burden of proving criminal acts and the responsibility of these defendants for their commission.

When I say that we do not ask for convictions unless we prove crime, I do not mean mere technical or incidental transgression of international conventions. We charge guilt on planned and intended conduct that involves moral as well as legal wrong. And we do not mean conduct that is a natural and human, even if illegal, cutting of corners, such as many of us might well have committed had we been in the defendants' positions. It is not because they yielded to the normal frailties of human beings that we accuse them. It is their abnormal and inhuman conduct which brings them to this bar.

We will not ask you to convict these men on the testimony of their foes. There is no count of the indictment that cannot be proved by books and records. The Germans were always meticulous record keepers, and these defendants had their share of the Teutonic passion for thoroughness in putting things on paper. Nor were they without vanity. They arranged frequently to be photographed in action. We will show you their own films. You will see their own conduct and hear their own voices as these defendants reenact for you, from the screen, some of the events in the course of the conspiracy.

We would also make clear that we have no purpose to incriminate the whole German people. We know that the Nazi Party was not put in power by a majority of the German vote. We know it came to power by an evil alliance between the most extreme of the Nazi revolutionists, the most unrestrained of the German reactionaries, and the most aggressive of the German militarists. If the German populace had willingly accepted the Nazi program, no stormtroopers would have been needed in the early days of the Party and there would have been no need for concentration camps or the Gestapo, both of which institutions were inaugurated as soon as the Nazi gained control of the German state. Only after these lawless innovations proved successful at home were they taken abroad.

The German people should know by now that the people of the United States hold them in no fear, and in no hate. It is true that the Germans have taught us the horrors of modern warfare, but the ruin that lies from the Rhine to the Danube shows that we, like our Allies, have not been dull pupils. If we are not awed by German fortitude and proficiency in war, and if we are not persuaded of their political maturity, we do respect their skill in the arts of peace, their technical competence, and the sober, industrious, and self-disciplined character of the masses of the German people. In 1933, we saw the German people recovering prestige in the commercial, industrial, and artistic world after the set-back of the last war. We beheld their progress neither with envy nor malice. The Nazi regime interrupted this advance. The recoil of the Nazi aggression has left Germany in ruins. The Nazi readiness to pledge the German word without hesitation and to break it without shame has fastened upon German diplomacy a reputation for duplicity that will

handicap it for years. Nazi arrogance had made the boast of the "master race" a taunt that will be thrown at Germans the world over for generations. The Nazi nightmare has given the German name a new and sinister significance throughout the world which will retard Germany a century. The German, no less than the non-German, world has accounts to settle with these defendants.

The fact of the war and the course of the war, which is the central theme of our case, is history. From September first, 1939, when the German armies crossed the Polish frontiers, until September 1941, when they met epic resistance at Stalingrad, German arms seemed invincible. Denmark and Norway, the Netherlands and France, Belgium and Luxembourg, the Balkans and Africa, Poland and the Baltic states, and parts of Russia, all had been overrun and conquered by swift, powerful, well-aimed blows. That attack upon the peace of the world is the crime against international society which brings into international cognizance crimes in its aid and preparation which otherwise might be only internal concerns. It was aggressive war, which the nations of the world had renounced. It was war in violation of treaties, by which the peace of the world was sought to be safeguarded.

This war did not just happen—it was planned and prepared for over a long period of time and with no small skill and cunning. The world has perhaps never seen such a concentration and stimulation of the energies of any people as that which enabled Germany 20 years after it was defeated, disarmed, and dismembered to come so near carrying out its plan to dominate Europe. Whatever else we may say of those who were the authors of this war, they did achieve a stupendous work in organization, and our first task is to examine the means by which these defendants and their fellow conspirators prepared and incited Germany to go to war.

In general, our case will disclose these defendants' all uniting at some time with the Nazi Party in a plan which they well knew could be accomplished only by an outbreak of war in Europe. Their seizure of the German state, their subjugation of the German people, their terrorism and extermination of dissident elements, their planning and waging of war, their calculated and planned ruthlessness in the conduct of warfare, their deliberate and planned criminality toward conquered peoples—all these are ends for which they acted in concert; and all these are phases of the con-

spiracy, a conspiracy which reached one goal only to set out for another and more ambitious one. We shall also trace for you the intricate web of organizations which these men formed and utilized to accomplish these ends. We will show how the entire structure of offices and officials was dedicated to the criminal purposes and committed to use of the criminal methods planned by these defendants and their co-conspirators, many of whom war and suicide have put beyond reach.

It is my purpose to open the case, particularly under count one of the indictment, and to deal with the common plan or conspiracy to achieve ends possible only by resort to crimes against peace, war crimes, and crimes against humanity. My emphasis will not be on individual barbarities and perversions which may have occurred independently of any central plan. One of the dangers ever present is that this trial may be protracted by details of particular wrongs and that we will become lost in a "wilderness of single instances". Nor will I now dwell on the activity of individual defendants except as it may contribute to exposition of the common plan.

The case as presented by the United States will be concerned with the brains and authority back of all the crimes. These defendants were men of a station and rank which does not soil its own hands with blood. They were men who knew how to use lesser folk as tools. We want to reach the planners and designers, the inciters and leaders, without whose evil architecture the world would not have been for so long scourged with the violence and lawlessness, and wracked with the agonies and convulsions of this terrible war.

[Here follow discussions on the lawless road to power, the consolidation of Nazi power, the battle against the working class, the battle against churches, crimes against the Jews, terrorism and preparation for war, experiments in aggression, war of aggression, conspiracy with Japan, and crimes in the conduct of war.]

The Law of the Case

The end of the war and capture of these prisoners presented the victorious Allies with the question whether there is any legal responsibility on high-ranking men for acts which I have described. Must such wrongs either be ignored or redressed in hot blood? Is there no standard in the law for a deliberate and reasoned judgment on such conduct?

The charter of this Tribunal evidences a faith that the law is not only to govern the conduct of

little men, but that even rulers are, as Lord Chief Justice Coke put it to King James, "under God and the law". The United States believed that the law long has afforded standards by which a juridical hearing could be conducted to make sure that we punish only the right men and for the right reasons. Following the instructions of the late President Roosevelt and the decision of the Yalta conference, President Truman directed representatives of the United States to formulate a proposed international agreement, which was submitted during the San Francisco conference to Foreign Ministers of the United Kingdom, the Soviet Union, and the Provisional Government of France. With many modifications, that proposal has become the charter of this Tribunal.

But the agreement which sets up the standards by which these prisoners are to be judged does not express the views of the signatory nations alone. Other nations with diverse but highly respected systems of jurisprudence also have signified adherence to it. These are Belgium, the Netherlands, Denmark, Norway, Czechoslovakia, Luxembourg, Poland, Greece, Yugoslavia, Ethiopia, Australia, Haiti, Honduras, and Panama. You judge, therefore, under an organic act which represents the wisdom, the sense of justice, and the will of 18 governments, representing an overwhelming majority of all civilized people.

The charter by which this Tribunal has its being embodies certain legal concepts which are inseparable from its jurisdiction and which must govern its decision. These, as I have said, also are conditions to the grant of any hearing to defendants. The validity of the provisions of the charter is conclusive upon us all, whether we have accepted the duty of judging or of prosecuting under it, as well as upon the defendants, who can point to no other law which gives them a right to be heard at all. My able and experienced colleagues believe, as do I, that it will contribute to the expedition and clarity of this trial if I expound briefly the application of the legal philosophy of the charter to the facts I have recited.

While this declaration of the law by the charter is final, it may be contended that the prisoners on trial are entitled to have it applied to their conduct only most charitably if at all. It may be said that this is new law, not authoritatively declared at the time they did the acts it condemns,

and that this declaration of the law has taken them by surprise.

I cannot, of course, deny that these men are surprised that this is the law; they really are surprised that there is any such thing as law. These defendants did not rely on any law at all. Their program ignored and defied all law. That this is so will appear from many acts and statements, of which I cite but a few. In the Fuehrer's speech to all military commanders on November 23, 1939, he reminded them that at the moment Germany had a pact with Russia, but declared, "Agreements are to be kept only as long as they serve a certain purpose." Later on in the same speech he announced, "A violation of the neutrality of Holland and Belgium will be of no importance." (Doc. 789-PS, pp. 5 and 11.) A top-secret document entitled, "Warfare as a Problem of Organization", dispatched by the Chief of the High Command to all Commanders on April 19, 1938, declared that "the normal rules of war toward neutrals may be considered to apply only on the basis whether operation of rules will create greater advantages or disadvantages for belligerents." (Doc. L-211, p. 28 of translation.) And from the files of the German Navy Staff we have a "Memorandum on Intensified Naval War", dated October 15, 1939, which begins by stating a desire to comply with international law. "However", it continues, "if decisive successes are expected from any measure considered as a war necessity, it must be carried through even if it is not in agreement with International Law." (Doc. L-184, p. 3.) International law, natural law, German law, any law at all was to these men simply a propaganda device to be invoked when it helped and to be ignored when it would condemn what they wanted to do. That men may be protected in relying upon the law at the time they act is the reason we find laws of retrospective operation unjust. But these men cannot bring themselves within the reason of the rule which in some systems of jurisprudence prohibits *ex-post-facto* laws. They cannot show that they ever relied upon international law in any state or paid it the slightest regard.

The third count of the indictment is based on the definition of war crimes contained in the charter. I have outlined to you the systematic course of conduct toward civilian populations and combat forces which violates international conventions to which Germany was a party. Of the criminal

nature of these acts at least, the defendants had, as we shall show, clear knowledge. Accordingly, they took pains to conceal their violations. It will appear that the defendants Keitel and Jodl were informed by official legal advisers that the orders to brand Russian prisoners of war, to shackle British prisoners of war, and to execute commando prisoners were clear violations of international law. Nevertheless, these orders were put into effect. The same is true of orders issued for the assassination of General Giraud and General Weygand, which failed to be executed only because of a ruse on the part of Admiral Canaris, who was himself later executed for his part in the plot to take Hitler's life on July 20, 1944.

The fourth count of the indictment is based on crimes against humanity. Chief among these are mass killings of countless human beings in cold blood. Does it take these men by surprise that murder is treated as a crime?

The first and second counts of the indictment add to these crimes the crime of plotting and waging wars of aggression and wars in violation of nine treaties to which Germany was a party. There was a time, in fact I think the time of the first World War, when it could not have been said that war-inciting or war-making was a crime in law, however reprehensible in morals.

Of course, it was under the law of all civilized peoples a crime for one man with his bare knuckles to assault another. How did it come that multiplying this crime by a million, and adding firearms to bare knuckles, made a legally innocent act? The doctrine was that one could not be regarded as criminal for committing the usual violent acts in the conduct of legitimate warfare. The age of imperialistic expansion during the eighteenth and nineteenth centuries added the foul doctrine, contrary to the teachings of early Christian and international-law scholars such as Grotius, that all wars are to be regarded as legitimate wars. The sum of these two doctrines was to give war-making a complete immunity from accountability to law.

This was intolerable for an age that called itself civilized. Plain people, with their earthy common sense, revolted at such fictions and legalisms so contrary to ethical principles and demanded checks on war immunity. Statesmen and international lawyers at first cautiously responded by adopting rules of warfare designed to make the conduct of war more civilized. The effort was

to set legal limits to the violence that could be done to civilian populations and to combatants as well.

The common sense of men after the first World War demanded, however, that the law's condemnation of war reach deeper, and that the law condemn not merely uncivilized ways of waging war but also the waging in any way of uncivilized wars—wars of aggression. The world's statesmen again went only as far as they were forced to go. Their efforts were timid and cautious and often less explicit than we might have hoped. But the 1920's did outlaw aggressive war.

The reestablishment of the principle that there are unjust wars and that unjust wars are illegal is traceable in many steps. One of the most significant is the Briand-Kellogg pact of 1928, by which Germany, Italy, and Japan, in common with practically all the nations of the world, renounced war as an instrument of national policy, bound themselves to seek the settlement of disputes only by pacific means, and condemned recourse to war for the solution of international controversies. This pact altered the legal status of a war of aggression. As Mr. Stimson, the United States Secretary of State, put it in 1932, such a war "is no longer to be the source and subject of rights. It is no longer to be the principle around which the duties, the conduct, and the rights of nations revolve. It is an illegal thing. . . . By that very act, we have made obsolete many legal precedents and have given the legal profession the task of reexamining many of its codes and treatises."

The Geneva protocol of 1924 for the Pacific Settlement of International Disputes, signed by the representatives of 48 governments, declared that "a war of aggression constitutes . . . an international crime." The Eighth Assembly of the League of Nations in 1927, on unanimous resolution of the representatives of 48 member nations, including Germany, declared that a war of aggression constitutes an international crime. At the sixth pan-American conference of 1928, the 21 American republics unanimously adopted a resolution stating that "war of aggression constitutes an international crime against the human species."

A failure of these Nazis to heed, or to understand the force and meaning of, this evolution in the legal thought of the world is not a defense or a mitigation. If anything, it aggravates their offense and makes it the more mandatory that the

law they have flouted be vindicated by juridical application to their lawless conduct. Indeed, by their own law—had they heeded any law—principles were binding on these defendants. Article 4 of the Weimar Constitution provided that "The generally accepted rules of international law are to be considered as binding integral parts of the law of the German Reich." (Doc. 2050-PS.) Can there be any doubt that the outlawry of aggressive war was one of the "generally accepted rules of international law" in 1939?

Any resort to war—to any kind of a war—is a resort to means that are inherently criminal. War inevitably is a course of killings, assaults, deprivations of liberty, and destruction of property. An honestly defensive war is, of course, legal and saves those lawfully conducting it from criminality. But inherently criminal acts cannot be defended by showing that those who committed them were engaged in a war, when war itself is illegal. The very minimum legal consequence of the treaties making aggressive wars illegal is to strip those who incite or wage them of every defense the law ever gave, and to leave war-makers subject to judgment by the usually accepted principles of the law of crimes.

But if it be thought that the charter, whose declarations concededly bind us all, does contain new law I still do not shrink from demanding its strict application by this Tribunal. The rule of law in the world, flouted by the lawlessness incited by these defendants, had to be restored at the cost to my country of over a million casualties, not to mention those of other nations. I cannot subscribe to the perverted reasoning that society may advance and strengthen the rule of law by the expenditure of morally innocent lives but that progress in the law may never be made at the price of morally guilty lives.

It is true, of course, that we have no judicial precedent for the charter. But international law is more than a scholarly collection of abstract and immutable principles. It is an outgrowth of treaties and agreements between nations and of accepted customs. Yet every custom has its origin in some single act, and every agreement has to be initiated by the action of some state. Unless we are prepared to abandon every principle of growth for international law, we cannot deny that our own day has the right to institute customs and to conclude agreements that will themselves become sources of a newer and strengthened international

law. International law is not capable of development by the normal processes of legislation for there is no continuing international legislative authority. Innovations and revisions in international law are brought about by the action of governments designed to meet a change in circumstances. It grows, as did the common law, through decisions reached from time to time in adapting settled principles to new situations. The fact is that when the law evolves by the case method, as did the common law and as international law must do if it is to advance at all, it advances at the expense of those who wrongly guessed the law and learned too late their error. The law, so far as international law can be decreed, had been clearly pronounced when these acts took place. Hence, I am not disturbed by the lack of judicial precedent for the inquiry we propose to conduct.

The events I have earlier recited clearly fall within the standards of crimes, set out in the charter, whose perpetrators this Tribunal is convened to judge and punish fittingly. The standards for war crimes and crimes against humanity are too familiar to need comment. There are, however, certain novel problems in applying other precepts of the charter which I should call to your attention.

The Crime Against Peace

A basic provision of the charter is that to plan, prepare, initiate, or wage a war of aggression, or a war in violation of international treaties, agreements, and assurances, or to conspire or participate in a common plan to do so is a crime.

It is perhaps a weakness in this charter that it fails itself to define a war of aggression. Abstractly, the subject is full of difficulty, and all kinds of troublesome hypothetical cases can be conjured up. It is a subject which, if the defense should be permitted to go afield beyond the very narrow charge in the indictment, would prolong the trial and involve the Tribunal in insoluble political issues. But, so far as the question can properly be involved in this case, the issue is one of no novelty and is one on which legal opinion has well crystallized.

One of the most authoritative sources of international law on this subject is the Convention for the Definition of Aggression signed at London on July 3, 1933 by Rumania, Estonia, Latvia, Poland, Turkey, the Soviet Union, Persia, and Afghanistan. The subject has also been considered by international committees and by commentators

whose views are entitled to the greatest respect. It had been little discussed prior to the first World War but has received much attention as international law has evolved its outlawry of aggressive war. In the light of these materials of international law, and so far as relevant to the evidence in this case, I suggest that an "aggressor" is generally held to be that state which is the first to commit any of the following actions:

- (1) Declaration of war upon another state;
- (2) Invasion by its armed forces, with or without a declaration of war, of the territory of another state;
- (3) Attack by its land, naval, or air forces, with or without a declaration of war, on the territory, vessels, or aircraft of another state;
- (4) Provision of support to armed bands formed in the territory of another state, or refusal, notwithstanding the request of the invaded state, to take in its own territory all the measures in its power to deprive those bands of all assistance or protection.

And I further suggest that it is the general view that no political, military, economic, or other considerations shall serve as an excuse or justification for such actions; but exercise of the right of legitimate self-defense, that is to say, resistance to an act of aggression, or action to assist a state which has been subjected to aggression, shall not constitute a war of aggression.

It is upon such an understanding of the law that our evidence of a conspiracy to provoke and wage an aggressive war is prepared and presented. By this test each of the series of wars begun by these Nazi leaders was unambiguously aggressive.

It is important to the duration and scope of this trial that we bear in mind the difference between our charge that this war was one of aggression and a position that Germany had no grievances. We are not inquiring into the conditions which contributed to causing this war. They are for history to unravel. It is no part of our task to vindicate the European *status quo* as of 1933, or as of any other date. The United States does not desire to enter into discussion of the complicated pre-war currents of European politics, and it hopes this trial will not be protracted by their consideration. The remote causations avowed are too insincere and inconsistent, too complicated and doctrinaire, to be the subject of profitable inquiry in this trial. A familiar example is to be found in the "Lebens-

raum" slogan, which summarized the contention that Germany needed more living space as a justification for expansion. At the same time that the Nazis were demanding more space for the German people, they were demanding more German people to occupy space. Every known means to increase the birth rate, legitimate and illegitimate, was utilized. "Lebensraum" represented a vicious circle of demand—from neighbors more space, and from Germans more progeny. We do not need to investigate the verity of doctrines which led to constantly expanding circles of aggression. It is *only the plot and the act of aggression* which we charge to be crimes.

Our position is that whatever grievances a nation may have, however objectionable it finds the *status quo*, aggressive warfare is an illegal means for settling those grievances or for altering those conditions. It may be that the Germany of the 1920's and 1930's faced desperate problems, problems that would have warranted the boldest measures short of war. All other methods—persuasion, propaganda, economic competition, diplomacy—were open to an aggrieved country, but aggressive warfare was outlawed. These defendants did make aggressive war, a war in violation of treaties. They did attack and invade their neighbors in order to effectuate a foreign policy which they knew could not be accomplished by measures short of war. And that is as far as we accuse or propose to inquire.

The Law of Individual Responsibility

The charter also recognizes individual responsibility on the part of those who commit acts defined as crimes, or who incite others to do so, or who join a common plan with other persons, groups, or organizations to bring about their commission. The principle of individual responsibility for piracy and brigandage, which have long been recognized as crimes punishable under international law, is old and well established. That is what illegal warfare is. This principle of personal liability is a necessary as well as logical one if international law is to render real help to the maintenance of peace. An international law which operates only on states can be enforced only by war because the most practicable method of coercing a state is warfare. Those familiar with American history know that one of the compelling reasons for adoption of our Constitution was that the laws of the Confederation, which operated only on

constituent states, were found ineffective to maintain order among them. The only answer to recalcitrance was impotence or war. Only sanctions which reach individuals can peacefully and effectively be enforced. Hence, the principle of the criminality of aggressive war is implemented by the charter with the principle of personal responsibility.

Of course, the idea that a state, any more than a corporation, commits crimes is a fiction. Crimes always are committed only by persons. While it is quite proper to employ the fiction of responsibility of a state or corporation for the purpose of imposing a collective liability, it is quite intolerable to let such a legalism become the basis of personal immunity.

The charter recognizes that one who has committed criminal acts may not take refuge in superior orders nor in the doctrine that his crimes were acts of states. These twin principles working together have heretofore resulted in immunity for practically everyone concerned in the really great crimes against peace and mankind. Those in the lower ranks were protected against liability by the orders of their superiors. The superiors were protected because their orders were called acts of state. Under the charter, no defense based on either of these doctrines can be entertained. Modern civilization puts unlimited weapons of destruction in the hands of men. It cannot tolerate so vast an area of legal irresponsibility.

Even the German Military Code provides that

"If the execution of a military order in the course of duty violates the criminal law, then the superior officer giving the order will bear the sole responsibility therefor. However, the obeying subordinate will share the punishment of the participant: (1) if he has exceeded the order given to him, or (2) if it was within his knowledge that the order of his superior officer concerned an act by which it was intended to commit a civil or military crime or transgression." (*Reichsgesetzblatt* 1926, no. 37, p. 278, art. 47.)

Of course, we do not argue that the circumstances under which one commits an act should be disregarded in judging its legal effect. A conscripted private or an enlisted man on a firing squad cannot expect to hold an inquest on the validity of the execution. The charter implies common-sense limits to liability just as it places common-sense limits upon immunity. But none of these men before you acted in minor parts.

Each of them was entrusted with broad discretion and exercised great power. Their responsibility is correspondingly great and may not be shifted to that fictional being, "the state", which cannot be produced for trial, cannot plead, cannot testify, and cannot be sentenced.

The charter also recognizes a vicarious liability, which is recognized by most modern systems of law, for acts committed by others in carrying out a common plan or conspiracy to which a defendant has become a party. I need not discuss the familiar principles of such liability. Every day in the courts of countries associated in this prosecution, men are convicted for acts that they did not personally commit but for which they were held responsible because of membership in illegal combinations or plans or conspiracies.

The Political, Police, and Military Organizations

Accused before this Tribunal as criminal organizations are certain political and police organizations which the evidence will show to have been instruments of cohesion in planning and executing the crimes I have detailed. Perhaps the worst of the movement were the Leadership Corps of the N.S.D.A.P., the Schutzstaffeln or "SS", the Sturmabteilungen or "SA", and the subsidiary formations which these include. These were the Nazi Party leadership, espionage, and policing groups. They were the real government, above and outside of any law. Also accused as organizations are the Reich Cabinet and the Secret State Police, or Gestapo, which were fixtures of the Government but animated solely by the Nazi Party.

Except for a late period when some compulsory recruiting was done in the SS, membership in all these militarized formations was voluntary. The police organizations were recruited from ardent partisans who enlisted blindly to do the dirty work the leaders planned. The Reich Cabinet was the governmental façade for Nazi Party government, and in its members legal as well as actual responsibility was vested for the entire program. Collectively they were responsible for the program in general; individually they were especially responsible for segments of it. The finding which we ask you to make, that these are criminal organizations, will subject members to punishment to be hereafter determined by appropriate tribunals, unless some personal defense—such as becoming a member under threat to person, or family, or inducement by false representation, or the like—be

established. Every member will have a chance to be heard in the subsequent forum on his personal relation to the organization, but your finding in this trial will conclusively establish the criminal character of the organization as a whole.

We have also accused as criminal organizations the High Command and the General Staff of the German armed forces. We recognize that to plan warfare is the business of professional soldiers in every country. But it is one thing to plan strategic moves in the event war comes, and it is another thing to plot and intrigue to bring on that war. We will prove the leaders of the German General Staff and of the High Command to have been guilty of just that. Military men are not before you because they served their country. They are here because they mastered it, along with these others, and drove it to war. They are not here because they lost the war but because they started it. Politicians may have thought of them as soldiers, but soldiers know they were politicians. We ask that the General Staff and the High Command, as defined in the indictment, be condemned as a criminal group whose existence and tradition constitute a standing menace to the peace of the world.

These individual defendants did not stand alone in crime and will not stand alone in punishment. Your verdict of "guilty" against these organizations will render *prima facie* guilty, as nearly as we can learn, thousands upon thousands of members now in custody of United States forces and of other armies.

The Responsibility of This Tribunal

To apply the sanctions of the law to those whose conduct is found criminal by the standards I have outlined is the responsibility committed to this Tribunal. It is the first court ever to undertake the difficult task of overcoming the confusion of many tongues and the conflicting concepts of just procedure among divers systems of law, so as to reach a common judgment. The tasks of all of us are such as to make heavy demands on patience and good-will. Although the need for prompt action has admittedly resulted in imperfect work on the part of the prosecution, four great nations bring you their hurriedly assembled contributions of evidence. What remains undiscovered we can only guess. We could, with witnesses' testimony, prolong the recitals of crime for years—but to what avail? We shall rest the case when we have

offered what seems convincing and adequate proof of the crimes charged without unnecessary cumulation of evidence. We doubt very much whether it will be seriously denied that the crimes I have outlined took place. The effort will undoubtedly be to mitigate or escape personal responsibility.

Among the nations which unite in accusing these defendants the United States is perhaps in a position to be the most dispassionate, for, having sustained the least injury, it is perhaps the least animated by vengeance. Our American cities have not been bombed by day and by night, by humans and by robots. It is not our temples that have been laid in ruins. Our countrymen have not had their homes destroyed over their heads. The menace of Nazi aggression, except to those in actual service, has seemed less personal and immediate to us than to the European peoples. But, while the United States is not first in rancor, it is not second in determination that the forces of law and order be made equal to the task of dealing with such international lawlessness as I have recited here.

Twice in my lifetime, the United States has sent its young manhood across the Atlantic, drained its resources, and burdened itself with debt to help defeat Germany. But the real hope and faith that has sustained the American people in these great efforts was that victory for ourselves and our Allies would lay the basis for an ordered international relationship in Europe and would end the centuries of strife on this embattled continent.

Twice we have held back in the early stages of European conflict in the belief that it might be confined to a purely European affair. In the United States, we have tried to build an economy without armament, a system of government without militarism, and a society where men are not regimented for war. This purpose, we know now, can never be realized if the world periodically is to be embroiled in war. The United States cannot, generation after generation, throw its youth or its resources onto the battlefields of Europe to redress the lack of balance between Germany's strength and that of her enemies, and to keep the battles from our shores.

The American dream of a peace-and-plenty economy, as well as the hopes of other nations, can never be fulfilled if those nations are involved in a war every generation so vast and devastating as to crush the generation that fights and burden the generation that follows. But experience has shown

that wars are no longer local. All modern wars become world wars eventually. And none of the big nations at least can stay out. If we cannot stay out of wars, our only hope is to prevent wars.

I am too well aware of the weaknesses of juridical action alone to contend that in itself your decision under this charter can prevent future wars. Judicial action always comes after the event. Wars are started only on the theory and in the confidence that they can be won. Personal punishment, to be suffered only in the event the war is lost, will probably not be a sufficient deterrent to prevent a war where the war-makers feel the chances of defeat to be negligible.

But the ultimate step in avoiding periodic wars, which are inevitable in a system of international lawlessness, is to make statesmen responsible to law. And let me make clear that, while this law is first applied against German aggressors, the law includes, and if it is to serve a useful purpose it must condemn, aggression by any other nation, including those which now sit here in judgment. We are able to do away with domestic tyranny and violence and aggression by those in power against the rights of their own people only when we make all men answerable to the law. This trial represents mankind's desperate effort to apply the discipline of the law to statesmen who have used their powers of state to attack the foundations of the world's peace and to commit aggressions against the rights of their neighbors.

The usefulness of this effort to do justice is not to be measured by considering the law or your judgment in isolation. This trial is part of the great effort to make the peace more secure. One step in this direction is the United Nations Organization, which may take joint political action to prevent war if possible, and joint military action to insure that any nation which starts a war will lose it. This charter and this trial, implementing the Kellogg-Briand pact, constitute another step in the same direction—juridical action of a kind to insure that those who start a war will pay for it personally.

While the defendants and the prosecutors stand before you as individuals, it is not the triumph of either group alone that is committed to your judgment. Above all personalities there are anonymous and impersonal forces whose conflict makes up much of human history. It is yours to throw the strength of the law back of either the one or the other of these forces for at least another

generation. What are the real forces that are contending before you?

No charity can disguise the fact that the forces which these defendants represent, the forces that would advantage and delight in their acquittal, are the darkest and most sinister forces in society—dictatorship and oppression, malevolence and passion, militarism and lawlessness. By their fruits we best know them. Their acts have bathed the world in blood and set civilization back a century. They have subjected their European neighbors to every outrage and torture, every spoliation and deprivation that insolence, cruelty, and greed could inflict. They have brought the German people to the lowest pitch of wretchedness, from which they can entertain no hope of early deliverance. They have stirred hatreds and incited domestic violence on every continent. These are the things that stand in the dock shoulder to shoulder with these prisoners.

The real complaining party at your bar is civilization. In all our countries it is still a struggling and imperfect thing. It does not plead that the United States, or any other country, has been blameless of the conditions which made the German people easy victims to the blandishments and intimidations of the Nazi conspirators.

But it points to the dreadful sequence of aggressions and crimes I have recited; it points to the weariness of flesh, the exhaustion of resources, and the destruction of all that was beautiful or useful in so much of the world and to greater potentialities for destruction in the days to come. It is not necessary among ruins of this ancient and beautiful city, with untold members of its civilian inhabitants still buried in its rubble, to argue the proposition that to start or wage an aggressive war has the moral qualities of the worst of crimes. The refuge of the defendants can be only their hope that international law will lag so far behind the moral sense of mankind that conduct which is crime in the moral sense must be regarded as innocent in law.

Civilization asks whether law is so laggard as to be utterly helpless to deal with crimes of this magnitude by criminals of this order of importance. It does not expect that you can make war impossible. It does expect that your juridical action will put the forces of international law, its precepts, its prohibitions, and most of all its sanctions, on the side of peace, so that men and women of good-will in all countries may have "leave to live by no man's leave, underneath the law."

Availability of German Plant Equipment

[Released to the press November 21]

Persons interested in securing machinery or equipment which is made available to the United States from Germany on reparation account to help break bottlenecks in production in the United States or to expand production facilities with equipment of unique design and of a non-competitive nature should communicate with the Bureau of International Supply, Civilian Production Administration, Washington 25, D. C. Those persons interested in machinery or equipment from Germany are advised to furnish as much detail as possible to the Bureau of International Supply concerning the location and ownership of the equipment in Germany, if known, as well as the exact type of plant and equipment. To be considered favorably a request for such equipment must also indicate clearly that such equipment or similar equipment is not obtainable in required amounts in the United States and is needed to break production bottlenecks or to expand production facilities. Whenever such plant and equipment is actually obtained by the United States on reparation account, it will be made available to United States firms or individuals interested in purchasing it.

Persons or firms who own or have a substantial property interest in industrial plants in Germany which may be declared available for removal on reparation account, and who desire to transfer such plants for operation in other countries, should communicate with the Division of Foreign Economic Development of the Department of State. While it is expected that wholly German-owned plants will in the first instance be earmarked for removal from Germany, the program of reparation and economic disarmament may require, in individual cases, the removal of industrial plant and equipment wholly or partly owned by nationals of Allied countries. Whenever a plant in which a substantial American property interest exists is earmarked for removal, the Department of State will determine, after consultation with the American owners involved, whether the United States should claim such plant as part of its reparation share. If the plant in question is actually obtained by the United States Government as reparation, due consideration will be given to the American property interests in determining

the new location of the plant and the conditions of its sale.

Persons or firms who desire to acquire other German plants which have or may become available for reparation in order to transfer them to other countries for operation should likewise communicate with the Division of Foreign Economic Development of the Department of State.

German plant and equipment in which American individuals or firms express an interest will become available for allocation among reparation claimants only if such plant and equipment is declared available for reparation in the course of the Control Council's determination of the requirements of Germany's minimum peacetime economy under provisions of the Potsdam protocol.

As the result of the conference of reparation-claimant countries now being held in Paris, the United States expects to be allocated a share in German assets made available for reparation, including a share in German industrial capital equipment. The Allied Control Council is proceeding with the determination of the amount and character of reparation removals from the three western zones of Germany and has already declared 30 industrial plants available for advance reparation delivery. Whenever a number of plants are declared available for reparation, the Allied Control Council will first divide such plants between the Soviet Union and Poland on the one hand and all the other reparation claimants on the other. Under the terms of the Potsdam protocol, the Soviet-Polish reparation claims are met not only from the Soviet zone of occupation in Germany but also from 25 percent of the industrial capital equipment available for removal from the other three zones of occupation.

Those plants which are not assigned to the Soviet Union and Poland by the Allied Control Council will be allocated among other countries entitled to reparation by the Inter-Allied Reparation Agency which the conference now being held at Paris is expected to establish.

Letters of Credence

Minister of Finland

The newly appointed Minister of Finland, Kalle Teodor Jutila, presented his letters of credence to the President on November 21. For text of these credentials and the President's reply see Department of State press release 875.

United States-British Commonwealth Telecommunications Conference

UNITED STATES DELEGATION

[Released to the press November 19]

The Department of State announced on November 19 the composition of the Delegation of the United States to the United States-British Commonwealth Telecommunications Conference to be held in Bermuda beginning November 21, 1945.

The composition of the Delegation, as approved by the President, is as follows:

CHAIRMAN:

The Honorable James Clement Dunn, Assistant Secretary of State

VICE CHAIRMAN:

The Honorable Paul A. Porter, Chairman, Federal Communications Commission

DEPUTY TO MR. DUNN:

Mr. George Pierce Baker, Director, Office of Transport and Communications Policy, Department of State

DELEGATES:

Department of State:

Mr. Francis Colt de Wolf, Chief, Telecommunications Division
Mr. Robert R. Burton, Chief, Radio Utilization Section, International Information Division

War Department:

Maj. Gen. Frank E. Stoner, Chief, Army Communications Service, Signal Corps
Maj. Gen. H. M. McClelland, Communications Officer, Headquarters, Army Air Forces
Col. A. G. Simson, Chief, Communication Liaison Branch, Plans and Operation Division, Office of the Chief Signal Officer
Lt. Col. Frederick C. Lough, Signal Corps
Maj. Nathaniel White, Signal Corps

Navy Department:

Rear Admiral Joseph R. Redman, Director of Naval Communications
Capt. Charles Horn, Office of Chief of Naval Communications
Commander Henry Williams, Jr., Office of Chief of Naval Communications

Federal Communications Commission:

Mr. William J. Norfleet, Chief Accountant
Mr. Benedict P. Cottone, Chief, Common Carrier Division, Law Department
Mr. Marion H. Woodward, Chief, International Division, Engineering Department

DELEGATES—Continued

Federal Communications Commission—Continued

Commander Paul D. Miles, Chief, Allocation Division, Engineering Department

PRESS OFFICER:

Mr. Lincoln White, Executive Assistant, Office of Special Assistant to the Secretary, Mr. McDermott, Department of State

SECRETARIES:

Miss Helen G. Kelly, Divisional Assistant, Telecommunications Division, Department of State
Mr. Robert E. Read, Divisional Assistant, Division of International Conferences, Department of State

Under date of August 9, 1945 the British Embassy in Washington addressed an *aide-mémoire* to the Department, extending an invitation to the Government of the United States to participate in a telecommunications conference between the Government of the United States and the governments members of the British Commonwealth of Nations.

The agenda submitted with the British *aide-mémoire* covered a number of questions dealing with post-war problems which will be considered at the next international telecommunications conference. In accepting the invitation, the Department proposed that the conference confine itself to the solution of telecommunication problems outstanding between the United States and the British Commonwealth of Nations, including rates, direct radiotelegraph and radiotelephone circuits, Anglo-American cables, et cetera, between these countries.

Franco-American Conversations on the Ruhr and Rhineland

[Released to the press November 21]

Franco-American conversations have just been concluded in Washington in which Maurice Couve de Murville was entrusted with the mission of explaining the views of the French Government respecting the future status of the Ruhr and the Rhineland.

The conversations gave the opportunity for a detailed consideration of the French views and took place in a spirit of the utmost cordiality.

Training of Netherlands Marines in United States

[Released to the press November 19]

In 1943 the Netherlands Government requested the United States Joint Chiefs of Staff to approve the training and equipment in this country of a Netherlands Marine Landing Force in order that the Netherlands might be able to participate actively in the war against Japan. After approval by the Joint Chiefs of Staff, arrangements were made through direct military channels for the actual training. The first Netherlands Marines arrived in this country in September and October 1943. At the time of the Japanese surrender some 5,000 Netherlands Marines were undergoing training in the United States and a further 2,000 were awaiting transportation to this country. With the end of hostilities, and in accordance with policy directives adopted prior to the Japanese capitulation, the Netherlands Government was informed immediately after the Japanese surrender that the further movement of Netherlands Marines to the United States should be discontinued and that the Marines now in the United States should be ready to depart, together with their equipment, by mid-November 1945, which appeared to be the earliest date at which sufficient shipping could be made available by the United Maritime Authority.

Mail Service to Displaced Persons in Austria and Germany

[Released to the press November 23]

The Department of State announced on November 23 that effective at once a limited mail service will be placed in operation for the exchange of personal non-transactional correspondence between persons in the United States and displaced persons in the American zones of Austria and Germany and for the shipment of five-pound gift parcels to displaced persons in those zones from senders in this country.

In order that an efficient service may be established it is necessary that the first dispatch of mail originate in every case with the displaced person. Special forms of postcards will be distributed to displaced persons in the American

zones of Austria and Germany for this purpose. The special cards will be distributed in the American zone of Germany by United States authorities and in the American zone of Austria by United States and Red Cross authorities.

A person in the United States wishing to correspond with a displaced person in the American zones of Austria or Germany must have first received such a card from the displaced person with whom he wishes to correspond and must present this card before post offices will accept letters or parcels for mailing.

After receiving such a card from a displaced person in one of these zones a prospective mailer in the United States may then correspond with that person and send him gift parcels. Letters, however, are limited to two pages, and only one letter may be sent to the same addressee during any seven-day period. Gift parcels are limited to five pounds in weight, and only one may be sent to the same addressee during any seven-day period. These letters and packages must be presented to clerks in the service windows at local post offices, and the mailer must always as stated above present the initial postcard received from the displaced person to whom the letter or parcel is addressed. Letters and parcels not presented in this manner will not be acceptable for forwarding and will be returned to the sender.

Letters and parcels must be properly addressed in the following manner:

Name of Displaced Person,
Name of Camp,
Number of Postal Addressing District,
Name of Post Office,
United States Zone—Austria or Germany,
Via Foreign Station,
New York, New York.

Gift parcels may contain clothing and non-perishable food or similar items. Matches and other items which are prohibited in the international mails may not be sent. Each parcel must have attached to it a properly executed customs-declaration tag, and both package and tag must be plainly marked "Gift Parcel".

The export-control regulations of the Office of International Trade Operations of the Department of Commerce are applicable to the service.

Further information concerning this service may be obtained at local post offices.

Inter-American Solidarity: Safeguarding the Democratic Ideal

NOTE FROM URUGUAYAN FOREIGN MINISTER TO SECRETARY OF STATE¹

[Released to the press November 23]

His Excellency,

JAMES F. BYRNES,

Secretary of State of the United States:

In the note of this Ministry under date of October 19, I stated that the "parallelism between democracy and peace must constitute a strict rule of action in inter-American policy". And I added that the highest respect for the principle of non-intervention by a state in the affairs of another, a principle established during the last decade, does not shield without limitation "the notorious and repeated violation by any republic of the elementary rights of man and of the citizen, nor the non-fulfilment of obligations freely contracted by a state with respect to its external and internal duties and which entitle it to be an active member of the international community".

I

This Ministry is deeply aware of the urgent need of developing these concepts, and of proposing to the American governments an exchange of views in an effort to arrive at formulas and solutions that will bring into concrete reality this sense of right which is so firmly held in the Americas. If before the war the interdependence of democracy and peace was a recognized concept in inter-American relations, that concept has, since the terrible experience of the war, acquired the force of an absolute truth.

¹ On the evening of Nov. 22, 1945 the Uruguayan Foreign Minister, Alberto Rodriguez Larreta, handed to the Ambassador of the United States in Montevideo, William Dawson, this note for transmission to the Secretary of State. The note was also given to the chiefs of mission of the other American republics in Montevideo at the same time.

The Department of State is informed that the Uruguayan Government has now made the text of the note available to the press in Montevideo, and, as a convenience to correspondents in Washington, the Department of State released to the press copies of the original Spanish text as well as this English translation prepared by the Department.

At the Conference for the Maintenance of Peace held in Buenos Aires in 1936, President Roosevelt said:

"First, it is our duty by every honorable means to prevent any future war among ourselves. This can best be done through the strengthening of the processes of constitutional democratic government—to make these processes conform to the modern need for unity and efficiency and, at the same time, preserve the individual liberties of our citizens. By so doing, the people of our nations, unlike the people of many nations who live under other forms of government, can and will insist on their intention to live in peace. Thus will democratic government be justified throughout the world."

Since the representatives of the other American republics assembled at Buenos Aires unanimously shared these basic principles, there was proclaimed "the existence of a solidary democracy in America".

At every inter-American meeting held since that time, identical concepts have been stated.

In Panama, in 1939, it was said that—

"On more than one occasion the American Republics have affirmed their adherence to the democratic ideal which prevails in this Hemisphere;

"This ideal may be endangered by the action of foreign ideologies inspired in diametrically opposite principles; and

"It is advisable, consequently, to protect the integrity of this ideal through the adoption of appropriate measures."

In Habana, in 1940, resolution VII refers to the "Diffusion of Doctrines Tending to Place in Jeopardy the Common Inter-American Democratic Ideal or To Threaten the Security and Neutrality of the American Republics," and recommends a series of measures against propaganda originating abroad or carried out by foreign elements within the republics of the continent.

In Rio de Janeiro, 1942, measures intended to "prevent or punish as crimes, acts against demo-

cratic institutions" were confirmed and strengthened.

II

In March 1945, at the Conference of Mexico City the American republics, still under the impact of the tragic experience of a war which had already lasted five years, gave vital force and meaning to these concepts in numerous declarations. In resolution VII the American republics "affirmed their adherence to the democratic ideal", and declared that "it is desirable to safeguard this ideal" and that "the dissemination of totalitarian doctrines in this Continent would endanger the American democratic ideal".

The Declaration of Mexico (resolution XI) confirmed these concepts and sought to give them force and effect throughout the continent, by proclaiming: "The purpose of the State is the happiness of man in society. The interests of the community should be harmonized with the rights of the individual. The American man cannot conceive of living without justice, *just as he cannot conceive of living without liberty*".¹

And in resolution XL on International Protection of the Essential Rights of Man it was resolved, "To proclaim the adherence of the American Republics to the principles established by international law for safeguarding the essential rights of man, and to declare their support of a system of international protection of these rights."

It is highly important to note that these concepts are extended to protect the individual as such in his essential rights, and that the necessity of a system of international protection of those rights is proclaimed.

III

The Conferences of Mexico City and San Francisco, which took place at the close of this war, gave a still firmer and more definite proof of the common determination to make effective, to any necessary extent, the defense of the democratic ideal and of the individual, as the essential objective. Thus the nations became bound, not only by international duties but also by internal duties having an international effect. The persistent and repeated violation of the essential rights of man and of the citizen affects both the American and the international sense of justice. (Introduction articles 1, 2, 13, 55, 62, 68, etc., of the Charter of the United Nations.)

And as a sanction against the violation of such principles, article 6 provided that: "A member of the United Nations which has persistently violated the Principles contained in the present Charter *may be expelled from the Organization by the General Assembly upon the recommendation of the Security Council*".¹

IV

The repeated violation of such rules is not only disastrous in itself, but sooner or later produces grave international repercussions. A nazi-fascist regime, acting through its characteristic methods, attacks the rights of man and of the citizen, develops the ideology of force, creates false notions of superiority and is a fatal ferment for future external conflicts. It is a system which, prompted by the instinct of self-preservation in an environment which is hostile to it, must spread out in order to survive. Its will to endure forces it, in times of crisis, toward international conflict, in the hope of filling out its weakened ranks through a wave of patriotism. It is, furthermore, a system which seeks to spread contagion and which tends thereto by the very potency of the virus which it injects into the social organism.

Hence it was that in Mexico and in San Francisco, new international concepts were brought into being to meet this danger. The maintenance of these concepts was deemed indispensable if the plans prepared for the preservation of peace and security are to be effective.

V

The principle of non-intervention by one State in the affairs of another, in the field of inter-American relations, constitutes in itself a great advance achieved during the last decade; this principle was inspired by noble and just claims. We must maintain and affirm that principle whenever the need arises. It must, however, be harmonized with other principles the operation of which is of fundamental importance for the preservation of international peace and security.

First there is the principle which I have defined as the "parallelism between peace and democracy". Second, there is the conviction acquired through tragic experience, that "peace is indivisible", that is, that conflicts cannot be isolated or continue indefinitely, without serious danger, as

¹ Passage italicized by the Uruguayan Foreign Minister.

centers of disturbance, in a world devoted to work and the pursuit of well-being. Such disturbance will, in the long run, be fatal to the peaceful world which we desire. Finally, there is the principle of the defense of the elementary human liberties—of the four freedoms of Roosevelt, of the minimum human liberties within a civilized continent—wherever they are notoriously and persistently infringed or ignored.

It is not difficult to harmonize such principles. "Non-intervention" cannot be converted into a right to invoke one principle in order to be able to violate all other principles with immunity. Therefore a multilateral collective action, exercised with complete unselfishness by all the other republics of the continent, aimed at achieving in a spirit of brotherly prudence the mere reestablishment of essential rights, and directed toward the fulfillment of freely contracted juridical obligations, must not be held to injure the government affected, but rather it must be recognized as being taken for the benefit of all, including the country which has been suffering under such a harsh regime.

It is pertinent to recall that when the principle of non-intervention was being most firmly defended and obtained its full recognition, multilateral action, exercised under the conditions and with the aims stated above, was not prohibited. That was the Uruguayan thesis at Habana in 1928. In 1933, at Montevideo, and at Buenos Aires, in 1936, it was clearly specified that it is the action of one state against another state, of one party against another, which is prohibited, the text of the two conferences emphasizing the individual, and therefore presumptively selfish, character of the action condemned. "It is declared that the intervention of any *one* of them in the affairs of another is inadmissible." (Article 1 of the additional Protocol of 1936.) "No state has the right to intervene in the internal or external affairs of another." (Convention on Rights and Duties of States, Montevideo, December 1933.)

Principles to which the war has restored all their vital force and whose operation is indispensable to the creation of a better world, do not conflict therefore with this rule [of non-intervention], and the latter would, in any event, remain unchanged.

The free and harmonious working of these principles must be effected on the basis that "non-intervention" is not a shield behind which crime

may be perpetrated, law may be violated, agents and forces of the Axis may be sheltered, and binding obligations may be circumvented.

Otherwise, at the very time when, since Mexico and after San Francisco, we should be creating a new international and humanitarian conception, we would find ourselves tolerating a doctrine capable of frustrating and destroying that very conception.

VI

The views set forth above are far from constituting an innovation. They respond to the demand of the peoples, the platforms of political parties, and to the judgment of those organizations and institutions which are devoted to the study of juridical and political problems. They echo the views of the free press, and the insistent plea of the young generations which do not wish to be defrauded again.

Its only novelty consists in being expressed in a diplomatic document, which many would prefer devoid of any sentiment, and in the fact that the need is stressed for transforming into realities—whenever circumstances require—oft repeated and proclaimed principles and standards.

These concepts, the observance of which, since the war, has acquired the nature of a "state of necessity" in the judgment of civilized man, have not come into being by chance, or in vain. The American republics have, in this respect, a responsibility for leadership, which has been and must continue to be their role in the task of building a free and peaceful world. Our continent is today the hope of the peoples of the world for a better life. Pusillanimity or unenlightened selfishness may counsel a passive attitude, but the result would then be that the mission of the Americas would transform itself into that of making our continent a refuge for evil doctrines, practices, and interests and into a field favorable to their future rebirth.

This Ministry is certain that no people and no government of the continent wishes such a sad fate for America. And it is in this certainty that it takes the liberty of addressing itself to Your Chancellery, and submitting that, in view of notorious events, there is a need for a collective multilateral pronouncement, using for that purpose some of the means already counseled; either by means of an advisory committee [Comisión dictaminante] or by an express consultation, or by including the subject in the proposed Conference of Rio de Janeiro.

Pan America, a Post-War Estimate

Address by ELLIS O. BRIGGS¹

[Released to the press November 20]

I am grateful for this opportunity to meet with you this afternoon and to take part in your discussion of Pan America and world organization. The point that I hope you will permit me to emphasize is that collective action taken to correct situations threatening the general welfare of the Americas is the normal and democratic way of handling our affairs.

May I say at the outset that I know of no one in our Government dealing with inter-American affairs who does not sincerely believe in the efficacy of the relationship which the twenty-one republics of this hemisphere have evolved during the past twelve decades, and more especially during the past fifteen years. The inter-American system is well-founded on experience. It is now sufficiently robust to cope with the great majority of the problems arising in the Western Hemisphere and to settle those problems. We are doing so today, and we propose to strengthen the inter-American system, not to submerge it, in the future.

We desire furthermore to maintain our hemisphere relationship within the framework of the United Nations Organization. We recognize that the hemisphere is an integral part of an indivisible world, and we have agreed that the Organization must be supreme in certain matters of enforcement. The Charter therefore gives the Organization the right and the power to prevent or suppress aggression at any time. But the Charter likewise provides that regional organizations shall have an important and responsible role in the peaceful settlement of disputes. The Charter re-emphasizes the inherent right of self-defense, and it defines the regional exercise of that right. It presupposes, in short, that the hemisphere is competent to handle its own affairs.

Our sister republics and ourselves have been preoccupied since well before the war with the problem of security. In the nine years beginning with the Buenos Aires conference we have been perfecting, step by step, our own procedure for dealing with threats of aggression. Our progress is traceable in the series of meetings—at Lima in

1938, at Panamá in 1939 immediately following the outbreak of hostilities, at Habana in 1940 after the fall of France, and at Rio de Janeiro in 1942—each of which represented a step forward in our search for hemisphere security. Finally, the American republics agreed in Mexico City last March that an attack *from any source* would automatically constitute an attack against all, and that they would consult in the event of any threat of aggression. That agreement is known as the "Act of Chapultepec".

At an early date we expect to enter into a treaty that will put the Chapultepec agreement, a temporary wartime measure, on a permanent basis. We are now actively preparing for a conference to be held at Rio de Janeiro for the specific purpose of negotiating and signing this treaty.

The proposed agreement will be a pact of military assistance. It is the first inter-American instrument of that character that our government has been prepared to undertake. Our own suggestions, shortly to be conveyed to the host Government of Brazil and to other governments for their preliminary consideration, have been drafted with the collaboration of members of the Congress and of the War and Navy Departments. We expect to receive between now and the date when the conference convenes in Rio valuable suggestions from other governments.

The primary purpose of this treaty will be the protection of the New World and its separate member states, but the agreement will also be in harmony with the United Nations Organization.

While we are thus collaborating with our neighbors in strengthening our own machinery and in gearing it to the equipment for peace of the United Nations, the world is painfully endeavoring to emerge from a devastating conflict. A struggle of that magnitude may well be a turning-point in civilization. All peoples, regardless of the degree of their participation, have been profoundly af-

¹ Delivered at the University of Pennsylvania, Philadelphia, Pa., on Nov. 20, 1945. Mr. Briggs is Director of the Office of American Republic Affairs, Department of State.

fect. Important political, social, and economic changes may come as a result of universal war. We cannot at this juncture identify these changes, or determine to what extent reconstruction in hungry, shattered Europe and reconversion in the United States are responsive to forces generated by the war. We recognize however that this is a time of unrest, of change, of suffering, and, we solemnly hope, of rebirth.

It is against this troubled background that we examine the 1945 relationship of the American republics—a group of twenty-one nations showing a wide diversity in culture, size, race, climate, religion, and resources. Geography made us neighbors, but it is the responsibility of the people themselves to determine by their conduct the degree to which we are to be good neighbors.

The policy of our country as enunciated by President Roosevelt more than twelve years ago is simple, understandable, and wise. That policy emphasizes *respect*—self-respect and mutual respect. "It is a two-way, not a one-way street to be traveled in dignity by both parties." It endorses *consultation*, and by that it means the frank sharing of points of view among friends assumed to have the same basic interests. It stands for collaboration. It opposes *unilateral* intervention by one government in the affairs of another.

This doctrine of non-intervention, to which our Government is bound by a declaration enjoying the stanch support of the American people and by formal international engagement entered into on their behalf, does not however preclude speaking our own mind on issues we consider vitally important. It involves no sacrifice of integrity on our part, no surrender of principles, no turning a deaf ear to the voice of liberty raised by any people anywhere. It does not prohibit any government from taking counsel with others about the situation existing in one or more nations in our hemisphere, or from acting with other governments to correct conditions which prejudice the safety or welfare of the Americas.

Such action is not intervention: it is the legitimate exercise of collective initiative. It is fundamental alike to the New World relationship and to the United Nations Organization. Without it neither could function. No international association could prosper if it denied to its members separately the opportunity to express their opinions, to advocate among other members the adoption of

those opinions, or to seek multilateral action responsive to a decision arrived at following discussion. The right of self-expression—liberty of speech—is as fundamental as the right of self-defense.

It has been argued that the exercise of collective initiative is destructive to unanimity, and hence dangerous to continental solidarity. It would impair, these critics argue, the unity of the hemisphere.

The fallaciousness of this view is apparent to anyone who has taken the trouble to scrutinize the record. Unanimity among the American republics has seldom been present. It may exist as an ultimate objective—the ideal situation, if you like, in an ideal world—but unfortunately we do not yet live in an ideal world. We live in a battered universe, now groping forward and trying to find a better and more workable association.

In recent years a great deal of effort has been spent in seeking, especially at inter-American conferences, to have everyone agree upon everything. This not infrequently resulted in whittling down principles to fit the lowest unanimous denominator, so that instead of taking a vigorous forthright position which would have commanded the respect, if not the support, of all the people the American republics for the sake of twenty-one votes sometimes lowered their sights below the main target. They allowed the lowest unanimous denominator to become a low denominator in common.

Let us further examine the record. Of the major conventions negotiated in the past forty years, how many have been unanimously ratified? Twenty—fifteen—ten? Those answers are all too high. Of the one hundred or more treaties and conventions signed since 1890, only one of importance, the Pan American Sanitary Convention, has been ratified by all twenty-one republics.

Most of the agreements were ratified by from fourteen to nineteen countries—that is to say by a substantial majority, but by no means unanimously. Even in the case of inter-American resolutions, which generally do not call for subsequent legislative approval or implementation, you will often find reservations appended, testifying to exceptions taken by individual countries.

Notwithstanding this lack of unanimity, the nations of this hemisphere have on the whole a most enviable record. The great majority of our

boundary disputes have been settled by negotiation or arbitration. The Chaco war, which threatened the peace of a whole continent, yielded solution to inter-American mediation. The use of the waters of two great rivers has just been satisfactorily adjusted by treaty. We are cooperating with our neighbors with respect to problems resulting from wartime dislocation of trade. We have pledged ourselves to collaborate in a wide variety of fields of international endeavor.

Our future may not be smooth, but at least we have evidence that we are traveling in the right direction, even though each one of us may not choose to move abreast of all of the others.

It is suggested therefore that we revise our thinking about unanimity to accord more closely with the facts. Let us agree that when we speak of continental solidarity we have discarded both the idea of simultaneous acceptance by all of the American republics and the corollary notion that there is something unusual or unworthy in the failure of everyone to see eye to eye with everyone else on a given subject. Let us instead stick to the more reasonable and attainable objective of a substantial majority, and of seeing to it at the same time that the rights of the minority are fully protected.

We in the United States can be assured that there is nothing undemocratic in this appraisal of what we seek, for here we accept—whether it be in the town, the state, or the Federal Government—the guidance of a majority only. We do not attempt to hold that this majority be absolute or even substantial. We abide by the decision of a simple majority: three out of five, four out of seven, eleven out of twenty-one, for example.

All of this presupposes—as it must presuppose if we are to have faith in the future—that the essential basis of the inter-American relationship is a common interest in democratic ideals, as they affect internal political development and as they find expression in the conduct of international relations. We refer to those principles that enhance the dignity of man, that safeguard and preserve his freedom, and that are conducive to the attainment of orderly representative government, characterized by respect for law and fair elections.

It is conceded that some governments in this hemisphere have not come into power through democratic processes. Some have maintained their positions through other than constitutional means, or without the consent of the governed.

We do not intend to intervene to impose democracy. The peoples of those countries are primarily responsible. But we obviously feel a warmer friendship for and a greater desire to cooperate with those governments that rest on the periodically and freely expressed endorsement of the governed. With respect to other regimes, our sympathy is extended to the people themselves in their struggle for liberty.

The policy of non-intervention does not, as the Secretary of State declared three weeks ago, imply the approval of local tyranny. "We have learned", Mr. Byrnes continued, "that tyranny anywhere must be watched, for it may come to threaten the security of neighboring nations".¹

We believe that the people of the United States, one million of whose sons were casualties during the war, desire to profit by the experience of this costliest of lessons. We believe that the inter-American relationship, to the maintenance and further development of which our country is dedicated, demands that each nation state the facts as it sees them. We believe that by taking counsel together in an atmosphere of trust and understanding the American republics will arrive at solutions commanding the support of their peoples.

Finally, we are convinced that only through a practical application of the principles of democracy can we achieve the real solidarity of this hemisphere.

Release of Aviation Equipment to Argentine Purchasers

[Released to the press November 19]

The United States will release aviation equipment, including aircraft engines and personal and commercial type aircraft and parts, to authorized Argentine purchasers.

Export licenses so granted will be subject to the specific requirement that the equipment acquired will be used exclusively for civilian use in the development of private and commercial civil aviation in Argentina.

This action results exclusively from the progressive termination of wartime restrictions and is totally unrelated to any political considerations.

¹ From "Neighboring Nations in One World", address by the Secretary of State, as printed in the *BULLETIN* of Nov. 4, 1945, p. 709.

New Brazilian Administration

EXCHANGE OF NOTES BETWEEN BRAZILIAN MINISTER FOR FOREIGN AFFAIRS AND AMERICAN AMBASSADOR TO BRAZIL

MINISTRY OF FOREIGN AFFAIRS,
RIO DE JANEIRO, *October 30, 1945.*

MR. AMBASSADOR:

I have the honor to inform Your Excellency that as a consequence of occurrences already known by the public, the President of the Republic, Dr. Getulio Dornelles Vargas, resigned office last night, and has been substituted by the President of the Federal Supreme Tribunal, Dr. José Linhares, with the full support of the Brazilian armed forces.

His Excellency has taken charge of the Presidency of the Republic today, and has named the following Ministers of State:

Justice and Internal Affairs: Dr. A. de Sampaio Dória;

War: General of Division Pedro Aurélio de Góes Monteiro;

Foreign Affairs: Ambassador Pedro Leão Velloso;

Finance: Dr. J. Pires do Rio;

Transportation and Public Works: General João de Mendonça Lima;

Education and Health: Dr. Raul Leitão da Cunha;

Labor, Industry, and Commerce: Major Roberto Carneiro de Mendonça;

Aeronautics: Air Brigadier Major Armando Trompowsky.

There is order throughout the country, over which the authority of the new Government is freely exerted.

The elections for the new President of the Republic and for representatives of the country, as previously settled, will be held on December 2, of this year.

¹ The Secretary of State announced on Nov. 2 that the American Ambassador at Rio de Janeiro was instructed to carry on normal relations with the new administration in Brazil.

The Government will respect the principles which have always guided the foreign policy of Brazil.

I take this opportunity to renew to Your Excellency the assurances of my highest consideration.

P. LEÃO VELLOSO

His Excellency

MR. ADOLF A. BERLE, JR.

*Ambassador of the United States
of America.*

EMBASSY OF THE
UNITED STATES OF AMERICA

*Rio de Janeiro, Brazil,
November 3, 1945.*

EXCELLENCY:

I have the honor to acknowledge the receipt of Your Excellency's note of October 30, 1945 officially advising that His Excellency President José Linhares has become President of the United States of Brazil in succession to former President Getulio Vargas, and giving the names of the members of the new Cabinet appointed by President Linhares.

The Government of the United States of America looks forward to continuance and strengthening of the cordial and cooperative relations which it has always maintained with the Government of Brazil, and which have always existed between the people of our countries.¹

I take occasion to present to Your Excellency the assurances of my highest and most distinguished consideration.

ADOLF A. BERLE, JR.

His Excellency

DR. P. LEÃO VELLOSO,

*Minister for Foreign Affairs,
Rio de Janeiro.*

Second Pan American Ophthalmology Congress

[Released to the press November 20]

The Secretary of State announced on November 20 that the Government of the United States has accepted the invitation of the Government of Uruguay to be represented at the Second Pan American Ophthalmology Congress, which is scheduled to convene at Montevideo, Uruguay, on November 26, 1945, and that, with the approval of the President, Capt. Clifford A. Swanson (MC) U.S.N., and Dr. Walter P. Griffey, Senior Surgeon, United States Public Health Service, have been designated delegates on the part of the United States to the Congress.

The first Pan American Ophthalmology Congress was held at Cleveland, Ohio, in October 1940. The present Congress will be a technical meeting of eye specialists from the various American republics to discuss the developments in the field of Ophthalmology since the first Congress and to consider future problems and opportunities of the profession.

Payment by Mexico Under Claims Convention of 1941

[Released to the press November 20]

The Ambassador of Mexico has presented to the Secretary of State the Mexican Government's check for \$2,500,000 (United States currency), representing the fourth annual instalment due the United States under the claims convention concluded November 19, 1941. The Secretary of State requested the Ambassador to convey to his Government an expression of this Government's appreciation.

Under the terms of the convention, Mexico agreed to pay the United States \$40,000,000 (United States currency) in settlement of certain property claims of citizens of the United States against the Government of Mexico, as described in the convention. Payments heretofore made amount to \$13,500,000. With the present payment of \$2,500,000 the balance remaining to be paid amounts to \$24,000,000, to be liquidated over a period of years by the annual payment by Mexico of not less than \$2,500,000 (United States currency).

Investigation of the Pearl Harbor Attack

On November 23, 1945 the Department of State made public the testimony of former Secretary of State Cordell Hull as given before the Joint Committee on the Investigation of the Pearl Harbor Attack.¹ The text of the testimony as printed in Department of State press release 862 includes background of 1941 conversations, conversations and developments prior to July 1941, Japan's warlords' disclosure of their intention of further aggression, Japanese proposal for Roosevelt-Konoe meeting, Tojo cabinet and continuation of conversations, Japanese ultimatum of November 20 and our reply, and the last phase. Also included are three annexes: Record of the Secretary of State's conferences, consultations, and telephone conversations (as entered in engagement books) with representatives of the War and Navy Departments, November 20 to December 7, 1941; record of the Secretary of State's conversations in the State Department with representatives of the War and Navy Departments, October 1940-December 7, 1941; and arrangements for contacts between the Department of State and War and Navy Departments in 1940 and 1941.

Of special interest to readers of this BULLETIN and other State Department publications was Mr. Hull's comment that "A comprehensive documentary history of these conversations, as well as of the whole course of our relations with Japan during the fateful decade from 1931 to 1941, which began and ended with acts of aggression committed by Japan, was prepared and published by the Department of State shortly after the attack at Pearl Harbor. It comprises well over 2,000 pages and is contained in the volume entitled *Peace and War, United States Foreign Policy, 1931-1941*, and much more fully in the two volumes entitled *Foreign Relations of the United States, Japan, 1931-1941*. It is, I believe, the most complete account of a diplomatic record ever published so soon after the events to which it relates."

¹ S. Con. Res. 27, 79th Cong., 1st sess.

Transmittal of Supplementary Protocol Amending the International Agreement for the Regulation of Whaling

THE PRESIDENT'S MESSAGE TO THE SENATE

[Released to the press by the White House November 23]

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of a supplementary protocol concerning whaling signed at London on October 5, 1945, for the Governments of the United States of America, Canada, the United Kingdom of Great Britain and Northern Ireland, the Republic of Mexico, New Zealand, and Norway. The purpose of the present protocol is to bring into force, without awaiting the accession thereto of the Government of Eire, the protocol signed at London on February 7, 1944 amending the international agreement for the regulation of whaling signed at London on June 8, 1937, as amended by the protocol signed at London on June 24, 1938.

With the supplementary protocol of October 5, 1945 I transmit for the information of the Senate the report relating thereto made to me by the Secretary of State.

HARRY S. TRUMAN

THE WHITE HOUSE,
November 23, 1945.

REPORT TO THE PRESIDENT FROM THE SECRETARY OF STATE

November 20, 1945.

THE PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a certified copy of a supplementary protocol concerning whaling signed at London on October 5, 1945 for the Governments of the United States of America, Canada, the United Kingdom of Great Britain and Northern Ireland, the Republic of Mexico, New Zealand, and Norway.

The purpose of the protocol herewith submitted is to bring into force, without awaiting the accession thereto of the Government of Eire, the protocol signed at London on February 7, 1944

(Senate Executive D, 78th Congress, 2d Session) amending the international agreement for the regulation of whaling signed at London on June 8, 1937 (Treaty Series 933) as amended by the protocol signed at London on June 24, 1938 (Treaty Series 944).

As provided in paragraphs (i) and (ii) of Article 7 of the aforementioned protocol of February 7, 1944, that protocol could not come into force until instruments of ratification thereof or accession thereto had been deposited on behalf of the Governments of the United Kingdom of Great Britain and Northern Ireland, the United States of America, Canada, Eire, Mexico, New Zealand, and Norway. Such instruments have been deposited for each of those Governments with the exception of the Government of Eire. The supplementary protocol of October 5, 1945 has therefore been signed with a view to bringing into force the protocol of February 7, 1944 at the earliest practicable date in order that it will be effective during the 1945-1946 whaling season.

Respectfully submitted,

JAMES F. BYRNES

RUBBER STUDY GROUP—Continued from page 840

the Group meetings showed that plant manufacturing costs in the U.S.A. have declined markedly in the recent past and are more than covered by the present selling price of 18½ U.S. cents per pound for general purpose synthetic. Indications were given that the trend of production costs is still downward.

It was considered that the uncertainties of the situation in the Far East made it impossible to reach any conclusions about probable costs of production of natural rubber in normal conditions.

8. The terms of reference of the Group provide that other interested Governments shall be kept informed of its work and steps will be taken to this end.

9. It is hoped to arrange a further meeting of the Group as soon as more adequate information is available of developments in the rubber producing areas.

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Status of Civil Aviation Documents Concluded at Chicago December 7, 1944

DATES OF SIGNATURES

Country	Final Act	Interim Agreement	Convention	Transit Agreement (Two Freedoms)	Transport Agreement (Five Freedoms)
Afghanistan	X	X	X	X	X
Australia	X	X	X	7/4/45	
Belgium	X	4/9/45	4/9/45	4/9/45	
Bolivia	X	X	X	X	X
Brazil	X	5/29/45	5/29/45		
Canada	X	X	X	2/10/45	
Chile	X	X	X	X	
China	X	X	X		X
Colombia	X	5/24/45			
Costa Rica	X	3/10/45	3/10/45	3/10/45	3/10/45
Cuba	X	4/20/45	4/20/45	4/20/45	4/20/45
Czechoslovakia	X	4/18/45	4/18/45	4/18/45	
Dominican Republic	X	X	X		X
Ecuador	X	X	X	X	X
Egypt	X	X	X	X	
El Salvador	X	5/9/45	5/9/45	5/9/45	5/9/45
Ethiopia	X	3/22/45		3/22/45	3/22/45
France	X	X	X	X	
Greece	X	X	X	X	
Guatemala	X	1/30/45	1/30/45	1/30/45	1/30/45
Haiti	X	X	X	X	X
Honduras	X	X	X	X	X
Iceland	X	X	X	4/4/45	4/4/45
India	X	X	X	X	
Iran	X	X	X	X	
Iraq	X	X	X	X	
Ireland	X	X	X		X
Lebanon	X	X	X	X	X
Liberia	X	X	X	X	
Luxembourg	X	7/9/45	7/9/45	7/9/45	
Mexico	X	X	X	X	X
Netherlands	X	X	X	X	X
New Zealand	X	X	X	X	
Nicaragua	X	X	X	X	X
Norway	X	1/30/45	1/30/45	1/30/45	
Panama	X	5/14/45			
Paraguay	X	7/27/45	7/27/45	7/27/45	7/27/45
Peru	X	X	X	X	X
Philippine Commonwealth	X	X	X	X	
Poland	X	X	X	X	
Portugal	X	X	X		
Spain	X	X	X	X	
Sweden	X	X	X	X	X
Switzerland	X	X	7/6/45	7/6/45	
Syria	X	X	X	7/6/45	7/6/45
Turkey	X	X	X	X	X
Union of South Africa	X	6/4/45	6/4/45	6/4/45	
United Kingdom	X	X	X	X	
United States	X	X	X	X	X
Uruguay	X	X	X	X	X
Venezuela	X	X		X	X
Yugoslavia	X				
Danish Minister	X	X	X	X	X
Thai Minister	X	X	X	X	X

SUBSEQUENT ACTION TAKEN

Country	Interim Agreement (Date of acceptance)	Convention (Date of deposit of ratification)	Transit Agreement (Date of receipt of note of acceptance)	Transport Agreement (Date of receipt of note of acceptance)
Afghanistan	5/16/45		5/17/45	5/17/45
*Australia	5/19/45		8/28/45	
*Belgium	4/17/45		7/19/45	
Bolivia				
*Brazil	5/29/45			
*Canada	12/30/44		2/10/45	
*Chile	6/4/45			
*China	6/6/45			6/6/45
*Colombia	6/6/45			
Costa Rica				
Cuba				
*Czechoslovakia	4/18/45		4/18/45	
Denmark	11/13/45			
Dominican Republic				
Ecuador				
*Egypt	4/26/45			
*El Salvador	5/31/45		6/1/45	6/1/45
Ethiopia	3/22/45		3/22/45	3/22/45
*France	6/5/45			
Greece	9/21/45		9/21/45	
Guatemala				
Haiti	6/2/45			
Honduras	11/13/45		11/13/45	11/13/45
Iceland	6/4/45			
*India	5/1/45		5/2/45	
Iran				
*Iraq	6/4/45		6/15/45	
Ireland	4/27/45			
Lebanon	6/4/45			
Liberia	3/17/45		3/19/45	3/19/45
Luxembourg	7/9/45			
*Mexico	5/22/45			
*Netherlands	1/11/45		1/12/45	1/12/45
New Zealand	4/18/45		4/19/45	
Nicaragua				
*Norway	1/30/45		1/30/45	
Panama				
Paraguay	7/27/45		7/27/45	7/27/45
*Peru	5/4/45			
Philippine Commonwealth				
Poland	4/6/45	4/6/45	4/6/45	
Portugal	5/29/45			
Spain	7/30/45		7/30/45	
Sweden	7/9/45		11/19/45	11/19/45
Switzerland	7/6/45		7/6/45	
Syria	7/6/45			
*Turkey	6/6/45		6/6/45	6/6/45
Union of South Africa				
*United Kingdom	5/31/45		5/31/45	
*United States	2/8/45		2/8/45	2/8/45
Uruguay				
Venezuela				
Yugoslavia				
Thai Minister				

X indicates signatures under date of Dec. 7, 1944. * Ad referendum.

¹ Reservation; relinquished Sept. 21, 1945. ² Reservation.

³ Reservation excluding Newfoundland withdrawn by Great Britain, Feb. 7, 1945.

* Elected to first Interim Council.

¹ Reservation.

² Reservation; relinquished Sept. 21, 1945.

Compiled as of Nov. 23, 1945, by the Treaty Branch, Division of Research and Publication, Department of State.

Addendum

DIRECTIVE FROM GENERAL MACARTHUR TO THE IMPERIAL JAPANESE GOVERNMENT

General MacArthur's directive to the Japanese Government printed in the BULLETIN of November 4, 1945, page 730, was dated October 4, 1945.

WILCOX—Continued from page 836.

that they should avoid using a monopoly of imports to give excessive protection to their own producers.

"We intend to propose that international cartels and monopolies should be prevented by international action from restricting the commerce of the world.

"We intend to propose that the special problems of the great primary commodities should be studied internationally, and that consuming countries should have an equal voice with producing countries in whatever decisions may be made.

"We intend to propose that the efforts of all countries to maintain full and regular employment should be guided by the rule that no country should solve its domestic problems by measures that would prevent the expansion of world trade, and no country is at liberty to export its unemployment to its neighbors.

"We intend to propose that an International Trade Organization be created, under the Economic and Social Council, as an integral part of the structure of the United Nations.

"We intend to propose that the United Nations call an International Conference on Trade and Employment to deal with all these problems.

"In preparation for that Conference we intend to go forward with actual negotiations with several countries for the reduction of trade barriers under the Reciprocal Trade Agreements Act.

"Success in those negotiations will be the soundest preparation for the general conference we hope will be called by the United Nations Organization."

These proposals are based upon the conviction that the world's economy should be organized to produce plenty rather than scarcity, that it should operate so as to unite nations rather than divide them. They point the way toward the common goals of all mankind—prosperity and peace.

THE DEPARTMENT

Appointment of Special Adviser on Organization and Administrative Matters

[Released to the press November 23]

The Secretary of State announced on November 23 the temporary assignment to the State Department of Maj. Gen. Otto L. Nelson as a Special Adviser on organization and administrative matters.

In this capacity, General Nelson, under the direction of the Assistant Secretary for Administration, will conduct a survey of the administrative practices of the State Department, recommend improvements, consolidations, and economies, and supervise the carrying out of approved recommendations.

Appointment of Officers

Charles Bunn as Economic Adviser in the Office of International Trade Policy, effective November 14, 1945.

THE FOREIGN SERVICE

Consular Offices

The office of the American Maritime Delegate at Angra do Heroismo, Azores, was closed on November 17, 1945.

THE CONGRESS

United Nations Relief and Rehabilitation Administration, 1946: Hearings Before the Subcommittee of the Committee on Appropriations, House of Representatives, Seventy-ninth Congress, first session, on a house joint resolution making appropriations for the United Nations Relief and Rehabilitation Administration, for the fiscal year 1946. ii, 273 pp. [Department of State pp. 1-14; 111-131; 203; 238-247; 269-70.]

Providing for the Rehabilitation of the Philippine Islands. S.Rept. 755, 79th Cong., to accompany S. 1610. 19 pp.

Repatriation of the Remains of Persons Buried Outside the Continental Limits of the United States. H.Rept. 1272, 79th Cong., to accompany H.R. 3936. 2 pp.

To Amend the First War Powers Act of 1941. H.Rept. 1269, 79th Cong., to accompany H.R. 4571. 19 pp. [Favorable report.]

Granting Permission for Certain Employees of the Civil Aeronautics Administration to Accept British Empire Medals Tendered by the Government of Canada in the Name of His Britannic Majesty King George VI. H.Rept. 1268, 79th Cong., to accompany S.J.Res. 51. [Favorable report.]

Publications

of the DEPARTMENT OF STATE

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C., who is the authorized distributor of Government publications. To avoid delay, address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

***The Axis in Defeat.** A Collection of Documents on American Policy Toward Germany and Japan. Publication 2423. v, 118 pp. 30¢.

Texts of significant documents drawn up by the Allies in conference; the instruments of the surrender of German and Japanese forces; and certain directives regarding occupation and control of Germany and Japan.

***Trial of War Criminals.** Publication 2420. iii, 89 pp. 20¢.

The major portions of the report of Robert H. Jackson to the President; the Agreement for the Establishment of an International Military Tribunal; and the Indictment, including statements of individual responsibility for crimes, of criminality of groups and organizations, and charges of violations of international treaties, agreements, and assurances caused by the defendants in the course of planning, preparing, and initiating the wars.

TREATIES AND EXECUTIVE AGREEMENTS

***Sanitary Aerial Navigation.** Convention between the United States of America and Other Powers Modifying the Convention of April 12, 1933—Signed for the United States January 5, 1945; ratified by the President of the United States May 29, 1945; proclaimed by the President of the United States and effective as to the United States May 29, 1945. Treaty Series 992. 46 pp. 10¢.

Modification of the International Sanitary Convention for Aerial Navigation of 1933 in light of present-day conditions which call for special measures to prevent spread by air across frontiers of epidemic or other communicable diseases.

***Armistice.** Agreement between the United States of America, the Union of Soviet Socialist Republics, and the United Kingdom of

Great Britain and Northern Ireland and Hungary together with annex and protocol—Signed at Moscow January 20, 1945; effective January 20, 1945. Executive Agreement Series 456. Publication 2396. 34 pp. 10¢.

Text of Allied agreement for armistice with Hungary, printed in Russian, English, and Hungarian, together with letter authorizing Marshal Voroshilov of the Soviet Union to sign on behalf of the Government of the United States.

***Air Transport Services.** Agreement between the United States of America and Iceland—Effectuated by exchange of notes signed at Reykjavik January 27, 1945; effective February 1, 1945. Executive Agreement Series 463. Publication 2404. 10 pp. 5¢.

Text of agreement between the Governments of Iceland and the United States for provisional air routes and services drawn up in accord with the standard form prepared at the Chicago International Civil Aviation Conference.

A cumulative list of the publications of the Department of State, from October 1, 1929 to July 1, 1945 (publication 2373) may be secured from the Department of State.

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